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STATE EMPLOYEE SALARY AND BENEFIT SURVEY 1984

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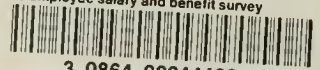
by
**Department of Administration
Personnel Division**

Researchers:

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DEPARTMENT OF ADMINISTRATION

STATE PERSONNEL DIVISION



TED SCHWINDEN, GOVERNOR

ROOM 130, MITCHELL BUILDING

STATE OF MONTANA

(406) 444-3871

February 22, 1985

HELENA, MONTANA 59620

Agency Directors
State of Montana

Dear Agency Director:

A copy of the most recent salary and benefit survey is enclosed for your information. The survey was carefully designed to serve a variety of functions, but primarily to assist in making legislative and administrative pay and benefit decisions. Providing valid and reliable comparison data was of utmost consideration in the survey design. Your suggestions for improving the survey are encouraged.

Ten states and 195 public and private employers responded to the survey with comparable salary and benefit data. These responses produced 3,145 total matches to 184 job classes representing the salaries of at least 43,450 job incumbents. The major findings are summarized for you on pages 46 and 47 of the report.

Also enclosed is a report of the general pay changes made since the inception of statewide classification in 1975. These changes primarily resulted from collective bargaining and through legislative acts. The last page of the report highlights a sample of the resultant percentage pay changes.

Sincerely,

A handwritten signature in black ink, reading "Dennis M. Taylor".

Dennis M. Taylor
Administrator

DMT/bmp

Enclosures

Evolution of the Centralized State Pay Plan

Chronology of Events

I. The situation that existed prior to January 1, 1975 is as follows:

- A. Pay systems were decentralized within the various agencies. Inequities existed among employees of different agencies performing similar job duties.
- B. State law passed in 1973 instructed the Department of Administration (D of A) to "develop a wage and salary plan for presentation to the 1975 legislature." In doing this, D of A conducted the first state salary survey in the interim. From the survey, D of A proposed a pay system for presentation to the legislature that included the following major elements:

Administration Proposal to 44th Legislature

- 1. 25 pay grades or skill levels that were developed by the interim study of state job classifications.
- 2. 8 pay rates or steps (through 8) corresponding to each pay grade. Step 3 rates were established by the salary survey as "recommended going rates" for the fiscal year ending June 30, 1975 (FY1975). The differentials between grades were about 9.7%, while the differentials between steps up to the increment between steps 4 and 5 were 4.75%. The remaining step differentials were 3%.
- 3. Progression from one step to another was to be automatic unless sub-standard performance was documented. Step 1 was the hire rate for each grade. Normally, the employee was to go from step one to step two after the first six months. Advancement to steps 3, 4 and 5 was to be at yearly intervals. Steps 6, 7 and 8 were to be longevity steps, each representing 4 years of state service.
- 4. This new statewide pay schedule was to be effective January 1, 1975, through June 30, 1975.

II. January 1, 1975, through June 30, 1977 - 44th Legislature

- A. HJR 37 passed during the 1975 legislative session. It established the first statewide pay matrix for classified employees. This first pay matrix was retroactive and covered time worked between January 1,

1975, through June 30, 1975. With the following adjustments, this first matrix contained the major elements of the schedule recommended by D of A.

1. The salary rates proposed for grade 2 became the rates for grade 3, those for grade 3 became the rates for grade 4, and so on.
 2. The proposed step 8 rates were eliminated.
 3. Half steps were added between steps. Rates for these steps were the mid-points of each adjacent step. For example, step 6 1/2 (later called step 12) equaled step 6 plus step 7 divided by two. The matrix now had 13, rather than 8 steps. This applied only to grades through 13.
 4. At grades 14 through 25, there were \$300 annual increments between steps, including half steps, up to step 6 (later called step 11). For example, the grade 14, step 1 annual salary was \$13,116, while the step 2 salary was \$13,416 - \$300 greater. Beyond step 6 (later called step 11), the last two increments were \$150.
 5. The service requirement for progressing from step 1 to step 1 1/2 (later called step 2) was increased from six months to one year.
- B. For the FY1976 matrix, each salary was increased by 5.012 percent.
- C. For the FY1977 matrix, each salary was increased by 4.057 percent.
- D. During this time period, each eligible employee received a \$10 contribution per month to partially offset health insurance premiums.

III. July 1, 1977, through June 30, 1979 - 45th Legislature

- A. HB 834 passed the 1977 session and set into law the classified pay matrices for FY1978 and FY1979. With this bill, the matrices included the state insurance contributions.
- B. FY1978 step 1 salaries less insurance were \$416 greater than FY1977 step 1 salaries less insurance. Salaries for step 2 and above were calculated by adding \$416 to the FY1977 salary (less insurance) for the next lower step and then multiplying the result by 1.0235. For example, the FY1978 salary for grade 12, step 5 equaled

\$416 plus the FY1977 grade 12, step 4 salary times 1.0235. FY1978 insurance contributions were \$20 per month. Thus, \$240 for insurance was added to each matrix element.

- C. FY1979 step 1 salaries less insurance were \$458 greater than FY1978 step 1 salaries less insurance. Salaries for step 2 and above were calculated by adding \$458 to the FY1978 salary (less insurance) for the next lower step and then multiplying the result by 1.0235. FY1979 insurance contributions were \$30 per month. Thus, \$360 was added to each matrix element.
- D. By administrative rule as of July 1, 1977, department directors could request D of A to approve step exceptions to the pay rules to address recruitment, retention, or other unusual pay problems.
- E. In November, 1978, D of A, by administrative rule, allowed department directors authority to grant up to 5% of the employees' meritorious step increases of up to 3 steps per employee. This and other merit proposals were rejected by the 1979 legislature. Therefore, this merit rule did not exist after June 30, 1979.

IV. July 1, 1979, through July 10, 1981 - 46th Legislature

- A. HB 891 passed the 1979 session and set the classified pay matrices for FY1980 and FY1981. This bill also established as law the pay matrices for institutional teachers, blue collar crafts, and liquor store employees that had been negotiated in previous years.
- B. In establishing the FY1980 classified matrix, the following changes were made to FY1979 salaries:
 - 1. 3% was first added to all step 2 FY1979 salaries plus insurance. \$360 was then added to each of the results.
 - 2. Step 1 salaries were calculated as 95% of the new step 2 salaries. The service requirement for advancing to step 2 was changed from one year to six months. Steps 3 and above were 1.02 times the salary established for the previous step.
 - 3. An additional one-half of 1% was added to all those salaries plus insurance in grades 14 and above.
 - 4. All of the resultant salary amounts included \$600 in annual insurance contributions.

- C. FY1981 salaries were calculated from FY1980 salaries plus insurance in exactly the same manner as were FY1980 salaries from FY1979 salaries. All of the resultant FY1981 salaries included \$720 in annual insurance contributions.

V. July 11, 1981, through July 8, 1983 - 47th Legislature

- A. HB 840 passed during the 1981 regular session which deleted the pay matrices from the law and instructed the Governor to develop these matrices in a manner that will cost no more than the amount appropriated for pay raises during the biennium. The Governor chose to implement those matrices that developed as a result of the bargaining agreements that had already been endorsed by state management.
- B. In establishing the FY1982 classified matrix, the following changes were made to FY1981 salaries:
 - 1. For grades through grade 14, 5% was first added to all step 2 FY1981 salaries plus insurance. \$675 was then added to each of the results.
 - 2. For grades above grade 14, 8.7% was added to all step 2 FY1981 salaries plus insurance.
 - 3. Step 1 salaries were calculated as 95% of the new step 2 salaries. Steps 3 and above are 1.02 times the salary established for the previous step.
 - 4. All resultant salary amounts include \$840 in annual insurance contributions.
- C. FY1983 salaries were calculated from FY1982 salaries in the same manner as were FY1982 salaries from FY1981 salaries. The sole exception is that after step 2 salaries plus insurance through grade 14 were increased by 5%, \$725, rather than \$675, was added to each result. All of the resultant FY1983 salaries include \$960 in annual insurance contributions.

VI. July 9, 1983, through July 5, 1985 - 48th Legislature

- A. HB 902 passed during the 1983 regular session which established as law the FY1984 and FY1985 pay matrices for classified employees, institutional teachers, blue collar crafts and liquor store employees.
- B. In establishing the FY1984 classified matrix, the following changes were made to FY1983 salaries:
 - 1. \$120 was first added to all step 2 FY1983 salaries plus insurance. 1.5% was then added to each of the results.

2. \$120 was added to all step 1 FY1983 salaries plus insurance. Steps 3 through 12 are 1.02 times the salary established for the previous step. Step 13 salaries are 1.035 times step 12 salaries.
 3. All resultant salary amounts include \$1,080 in annual insurance contributions.
- C. FY1985 salaries were calculated from FY1984 salaries in the same manner as were FY1984 salaries from FY1983 salaries. The exceptions follow:
1. Step 1 salaries were calculated as 93% of the new step 2 salaries.
 2. Step 13 salaries are 1.04 times step 12 salaries.
 3. All resultant salary amounts include \$1,200 in annual insurance contributions.

SAMPLE OF PERCENT SALARY INCREASES FROM PREVIOUS FISCAL YEARS
(EXCLUDES STEP INCREASES)
(EXCLUDES INSURANCE CONTRIBUTIONS)

<u>Grade</u>	<u>FY1976</u>	<u>FY1977</u>	<u>FY1978</u>	<u>FY1979</u>	<u>FY1980</u>	<u>FY1981</u>	<u>FY1982</u>	<u>FY1983</u>	<u>FY1984</u>	<u>FY1985</u>	<u>Annual Averages</u>
4	5.0%	4.1%	7.0%	7.2%	5.1%	6.7%	12.9%	12.6%	1.7%	1.7%	6.4%
8	5.0	4.1	4.8	5.1	4.2	5.7	10.8	10.7	1.7	1.7	5.2
12	5.0	4.1	3.3	3.5	3.6	4.9	9.2	9.2	1.6	1.6	4.6
16	5.0	4.1	2.8	3.0	4.5	4.9	8.5	8.5	1.6	1.6	4.5
20	5.0	4.1	2.7	2.8	5.4	4.5	8.5	8.6	1.6	1.6	4.5
CPI	5.9	6.9	7.4	11.1	14.2	9.5	6.9	2.4	3.0	4.5*	7.2

SAMPLE OF PERCENT SALARY INCREASES FROM PREVIOUS FISCAL YEARS
(INCLUDES STEP INCREASES)
(EXCLUDES INSURANCE CONTRIBUTIONS)

<u>Grade</u>	<u>FY1975 Step</u>	<u>FY1976</u>	<u>FY1977</u>	<u>FY1978</u>	<u>FY1979</u>	<u>FY1980</u>	<u>FY1981</u>	<u>FY1982</u>	<u>FY1983</u>	<u>FY1984</u>	<u>FY1985</u>	<u>Annual Averages</u>
8	1	7.5%	6.5%	7.2%	7.4%	6.5%	8.0%	13.1%	13.1%	3.9%	4.0%	7.8%
8	7	7.5	6.7	6.6	6.8	6.2	8.1	10.7	10.7	3.4	2.4	6.9
8	13	5.0	4.1	4.9	5.2	5.5	5.8	10.7	10.7	3.4	2.4	5.8
12	1	7.4	6.5	5.8	5.9	5.8	7.1	11.5	11.5	3.8	3.8	6.9
12	7	7.5	6.4	5.3	5.5	5.1	7.2	9.2	9.2	3.3	2.7	6.1
12	13	5.0	4.1	3.6	3.8	4.3	5.0	9.2	9.2	3.3	2.7	5.0
16	1	7.0	6.0	4.7	4.8	6.7	7.1	10.7	10.8	3.7	3.8	6.5
16	7	6.8	5.8	4.5	4.6	9.1	7.1	8.5	8.5	3.2	2.2	6.0
16	13	5.0	4.1	3.6	3.7	8.0	5.0	8.5	8.5	3.2	2.2	5.4
CPI	-	5.9	6.9	7.4	11.1	14.2	9.5	6.9	2.4	3.0	4.5*	7.2

*Estimated CPI

DEPARTMENT OF ADMINISTRATION
PERSONNEL DIVISION



TED SCHWINDEN, GOVERNOR

ROOM 130, MITCHELL BUILDING

STATE OF MONTANA

(406) 444-3871

HELENA, MONTANA 59620

February 1, 1985

The Honorable Ted Schwinden
Governor of Montana
State Capitol
Helena, Montana 59620

Dear Governor Schwinden:

Attached is the 1984 Montana Salary and Benefit Survey conducted by the State Personnel Division. This report was prepared in compliance with Title 2, Chapter 18, MCA, which requires that the Department of Administration continually maintain the state classification and pay plan. A critical element in the maintenance of the plan is to assure that state employees are appropriately compensated for their services.

The attached report describes the methods used and the data obtained in the survey. The information included in this report was gathered and analyzed in order to help address a variety of issues regarding employee compensation and benefits in Montana state government.

I wish to express my thanks for the cooperation and assistance received from the many employers who provided the information that made this study possible.

Sincerely,

A handwritten signature in black ink, reading "Dennis M. Taylor", is written over the typed name.

Dennis M. Taylor
Administrator
State Personnel Division

**STATE EMPLOYEE SALARY
AND
BENEFIT SURVEY
1984**

**by DEPARTMENT OF ADMINISTRATION
STATE PERSONNEL DIVISION**

**RESEARCHERS
JOSEPH MICHAUD
and
VIOLET PIGMAN**

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STATE EMPLOYEE SALARY AND

BENEFIT SURVEY 1984

SURVEY DEVELOPMENT

For pay purposes, all Montana state employees are in one of the following categories:

1. Elected legislators.
2. Legislative staff.
3. Elected judges (7 Supreme Court Justices and 32 District Court Judges) and the Clerk of the Supreme Court.
4. Judicial staff.
5. Exempt staff of the Montana University System.
6. University System staff under academic contract.
7. Teachers at the State School for the Deaf and Blind.
8. Blue collar and other non-classified employees of the University System.
9. Elected executive officials (Governor, Lieutenant Governor, Secretary of State, Attorney General, State Auditor, Superintendent of Public Instruction, and five Public Service Commissioners).
10. Personal staff of elected executive officials including department directors.
11. Board eligible physicians at state institutions.
12. Teachers at state institutions.
13. Blue collar crafts not under the state classification system.
14. State liquor store employees.
15. Classified employees in the Executive branch and in the University System.

The overwhelming majority of state employees (approximately 11,800 of 14,800) are in category 15. State salary surveys conducted by the State Personnel Division prior to 1982 covered only classified employees. Since the State Personnel Division is responsible for overseeing the pay systems of employees in categories 11 through 15, this survey attempts to represent each of these.

Because the objective of pay and benefits administration is to make the best use of personal service expenditures, this survey is primarily concerned with identifying pay inequities. Even though the focus of the survey is on external comparisons, resulting analyses, decisions and recommendations should also consider internal factors.

Historically, the practice of providing annual state employee salary increases has been to negotiate wage settlements with unions based on a general formula. Prior to agreeing to a general pay increase formula, both negotiating parties reasonably conceptualize such things as budget and cash flow; economic and labor market conditions; and employee expectations, perceptions and observations. The positive aspect of this procedure is that it allows the opportunity to consider many different pay decision factors. On the negative side, negotiated formulas, prior to 1983, included flat dollar pay adjustments which tended to gradually reduce pay differentials between grades and created less competitive salaries at the higher skill levels.

This practice can be contrasted with the prevailing wage principle presumed to be used by many other competing employers as a general standard of wage determination. Using the prevailing wage principle as the primary factor for setting salaries benefits the employer in hiring and keeping highly demanded and skilled employees. However, strict adherence to the prevailing wage principle also has its problems.

One problem is that this practice has the tendency to break down established internal pay relationships. Internal pay dissatisfaction can result in increased turnover, absenteeism, and an overall decline in employee productivity.

Another problem with using the prevailing wage principle is that the average pay practice of surveyed employers becomes the state's pay practice. This may or may not reflect management's values and priorities regarding state goals and objectives. In addition, those actively pursuing the "equal pay for work of comparable worth" principle oppose tying wage increases directly to prevailing wage standards because they feel that the market tends to perpetuate institutional biases in certain organizational categories.

Nonetheless, it is very important for employers to be cognizant of competing salaries and benefits being within a reasonable market area.

Establishing and maintaining internal pay relationships is often viewed as being more crucial to an organization than providing externally competitive compensation. This salary survey was designed to measure how the state is doing in this regard. Key classes were selected to represent all of the relevant classified skill levels (grades 4 through 22). Several classes of non-classified positions were also included.

Occasionally, state managers feel that they need to pay more to recruit or retain highly qualified and demanded job skills. Substantiation of these contentions is easier if comparative survey data are available on all state occupations. The key classes selected for this survey provide a representation of all state occupations.

General pay increases should be designed to maintain the purchasing power of state employees in relation to those employed elsewhere. Failure to do this, unless reasonably justified and explained, will probably result in pay dissatisfaction with its adverse consequences. The salary survey attempts to tell what is happening to the purchasing power of these other employees.

HYPOTHESIZED RESULTS

The 1982 state salary survey resulted in the following general conclusions:

1. Most lower graded state salaries are near or above market averages, while state salaries at classified grades 11 and above tend to be below market averages.
2. Except for teachers, state salaries of employees paid by special pay matrices (retail clerks, blue collar, etc.) are at or above market averages.
3. The salaries of most of the state's experienced professionals and managers continue to be significantly below market averages.
4. There is evidence that most employers in both labor markets increase the salaries of satisfactory employees faster than the State of Montana. The state's minimum salaries are generally more competitive than its maximum and average or midpoint salaries.
5. Evidence from both surveys suggest that the state's classification system allocates grade levels from a perspective of value to the organization and treats predominately female occupations the same as predominantly male occupations. There tend to be more salary differences of this type in the market place than within the state's system.
6. The state's group insurance contribution is about in line with the market.
7. The state's retirement contribution is below the average of neighboring state contributions but slightly above the average of Montana employer contributions.
8. State employees receive more paid leave time than those employed elsewhere in the two labor markets.
9. State pay and benefit increases during the previous biennium maintained the state's market position for experienced professionals and managers and improved the state's market position for lower graded positions.
10. The previous biennium's percentage rather than flat dollar adjustments to classified grades 15 and above kept the state's market position at these levels from further deterioration and prevented further salary compression.

In this biennium, state salaries (excluding step increases) increased 1.6 to 1.7% in each of the two fiscal years. These increases were slightly less than the presumed average increase provided by competing employers and slightly less than changes in living costs. Thus, it is hypothesized that State of Montana salaries have lost a little ground as compared to other competing employers.

DESIGN AND OBJECTIVES

The purpose of this survey was to determine how the salaries and benefits paid to State employees compare with the salaries and benefits paid by other Montana based employers and to the salaries and benefits paid by surrounding state governments.

The design of the survey and the analysis of results focused on the following:

1. To test the competitiveness of Montana salaries at various pay grades which usually include a multitude of occupational groups.
2. To test the competitiveness of Montana salaries among the various occupational groups.
3. To test the degree to which the state's classification system inadvertently uses the sex of occupation incumbents to allocate job classes to pay grades.
4. To test how competitive the state is in increasing employee salaries through general merit and/or longevity adjustments.
5. To test the competitiveness of benefits provided by the state.
6. To test the competitiveness of state salaries taken in conjunction with state benefits.

In order to pursue all of these listed objectives, key classes were selected to sufficiently represent all state occupational groups, grade levels, benchmark positions and classes selected randomly according to the dominance of sex of job incumbents. Comparative data were then solicited from the respective job markets with which the state is presumed to be competing for needed occupational skills.

The survey was divided into an in-state survey of Montana based employers and an out-of-state survey of surrounding state governments to reflect the different labor markets in which the state competes. The market for professional employees, for example, is reasonably presumed to be broader than the market for unskilled employees. The state's experience with past salary surveys was heavily utilized in determining which classes to survey in which labor market. Forty-six key classes were selected for the in-state survey, 116 key classes were selected for the out-of-state survey, and 23 classes were selected to be common to both surveys.

For the in-state survey, 502 Montana based employers were sampled. The out-of-state survey was conducted among ten neighboring states. The survey was conducted during August of 1984. All 10 states and 195 of the 502 Montana employers responded. These responding employers employ a total of 164,555 employees. The survey produced 3,122 job matches representing the salaries of at least 43,450 job incumbents.

SELECTION OF KEY CLASSES

The 1983 state legislature enacted a law instructing the Department of Administration to "enhance the current classification and pay schedules" and to "work toward the goal of establishing" and adhering to "a standard of equal pay for comparable worth". Because of this, benchmark positions established through the classification enhancement project and classes randomly selected and distinguishable according to sex-dominance criteria were included in the salary survey as key classes whenever possible.

The same steps were taken for selecting in-state classes as those taken for selecting out-of-state key classes. Key classes had to represent the range of work in state government and be capable of producing matches with other employers. Enough key classes were selected to represent all state occupational groups, most skill levels whether classified or not and various sex-dominance criteria at various skill levels. Yet, the number of selected classes was limited so that employers would not be unnecessarily discouraged from participating in the survey. The exact steps taken to select key classes can be made available upon request.

The final list consisted of 185 key classes. Forty-six of these were to be matched in the in-state labor market, 116 in the out-of-state market, and 23 in both labor markets. Pages 13 through 26 lists each key class and their survey results by occupational group.

IN-STATE EMPLOYERS

The in-state employer sample was selected in a similar manner as past state salary surveys. The Department of Labor and Industry publishes a list of firms whose employees are covered by the unemployment insurance program. This list includes nearly every employer operating within the state of Montana. The Department of Labor and Industry lists employers according to the number of people employed. This list made it possible to stratify a random selection of employers by size.

The sample was set up so that larger firms would have a greater chance to be selected for the survey. This method was used to control the costs of obtaining adequate job matches and to compare salaries with those employers most apt to have competitive job openings. Smaller firms were screened because they were less likely to have jobs that match those found in state government. Having used smaller employers in previous state salary surveys has confirmed these contentions.

Every employer with 250 or more people employed in Montana was selected to be surveyed. As in the 1980 and 1982 surveys, two of three firms with 100 to 250 employees and one of three firms with 50 to 100 employees were chosen in a random fashion.

One hundred and eight firms with 20 to 50 employees were also included in the in-state employer sample. The reason for including these smaller firms was to ensure more job matches for those classes where insufficient responses were otherwise expected. The expectation was based on previous survey experience and on Department of Labor and Industry reports that estimate various occupational employment by industry. These reports suggest that most plumbers in Montana are employed by plumbing firms;

that most mechanics are employed by automobile dealers and repair establishments; that most laundry workers are employed by laundry and cleaning establishments; that many custodians are employed by firms offering this type of personal service; that computer personnel are often employed by firms offering business services, and; that drafters are usually employed by engineering/architecture firms. These conclusions are obvious but are worthy of mention because without expanding the employer sample to include more of these types of firms, sufficiently reliable data for some of the classes could not have been possible.

The resulting employer sample is reflected in the following table as is the number of selected employers that responded to the survey. The response rate of 39% is about what was expected.

TABLE 1
IN-STATE EMPLOYER SAMPLE AND RESPONSE

<u>Size of firm by # of Employees</u>	<u># of Responding Employers</u>	<u># of Surveyed Employers</u>	<u># of Employers in Montana</u>
1000 or more	5	12	12
500 - 999	21	24	24
250 - 499	20	40	40
100 - 249	59	149	224
50 - 99	55	169	500
20 - 49	35	108	1,600
1 - 19	-	-	22,000
TOTAL	195	502	24,400

Despite the fact that the employer sample was stratified, there was no need to weigh response results. The logic behind this decision is that during any given period of time, larger firms are more apt to compete with the state for specific types of personnel. Thus, what the smaller firms are paying their employees will not matter as much as the larger firms because smaller firms have fewer employees and are not as often in the labor market looking for qualified talent.

OUT-OF-STATE EMPLOYERS

In previous state salary surveys, migration statistics, per capita income, population density, and physical proximity were among the factors used to select the states from which to solicit salary data. Migration statistics indicate that Montana jobs taken by out-of-state candidates are most likely taken by people moving from the rest of the Rocky Mountain states, from the West Coast, or perhaps from the northernmost midwestern states and are not likely to be taken by people from the deep South or East Coast. In the 1980 survey, data from 9 Rocky Mountain states were analyzed and found to be fairly similar to data provided by an expanded list of 15 regional states and to data provided by all 50 states. Thus, data obtained from the following selected nine states seemed to sufficiently meet our needs: Arizona, Colorado, Idaho, Nevada, New Mexico, North Dakota, South Dakota, Utah and Wyoming. With this current survey, Minnesota was added to our list of survey states because this state has a reputation for designing and implementing a pay system intended to provide "equal pay for comparable worth".

SALARY DATA AND TOTAL COMPENSATION

Minimum, maximum and actual average salaries were requested for each job matched. All three figures were requested because conflicting results obtained from any two could indicate differences in how employers increase the salaries of their employees.

In the in-state survey, 64% of the total job matches resulted in the reporting of minimum and maximum salaries. Naturally this figure varies by occupation. For example, in more than half of the cases, minimums and maximums were not provided for the craft occupations. Actual average salaries and the number of actual incumbents were reported in 88% of the job matches provided by Montana employers.

In the survey of neighboring states, minimum and maximum salaries were provided in all but 20 of 1,128 job matches. Because one state was unable to provide actual average salaries and because there were occasionally no job incumbents in the matches provided, the actual average salary was unavailable in 13% of the cases. In 4% of the cases, the number of incumbents was not provided.

Wherever actual average salaries were not provided, midpoints were calculated and combined with the actual average salaries provided for comparison purposes. This allowed for every job match to be illustrated by one statistic.

The survey questionnaire also asked for general compensation and benefit information in a way that made it easiest to calculate comparable total compensation figures. Leave costs equaled "average days paid leave usage per employee" divided by 260 (the number of potential working days per year) less "average days paid leave usage per employee" times average salary, if available, otherwise midpoint salary. Social security costs, for employers who indicate that their employees are in the Social Security program, equaled average or midpoint salary times 0.07 (the effective social security tax rate) not to exceed \$220.50 per month. Retirement and profit-sharing costs equaled the employer's stated contribution percent times average or midpoint salary. These three costs were added to the insurance contribution plus average or midpoint salary to equal an estimate of total compensation.

GENERAL SALARY SURVEY RESULTS FOR ALL KEY CLASSES COMBINED

The following table depicts the general survey results for all grades and classes. In state 69 classes were matched a total of 2,017 times involving, at the very least, 9,898 employees, while out-of-state 139 classes were matched a total of 1,128 times involving 33,552 employees. Montana continues to rank behind its neighbor states but not necessarily behind other employers within the state in paying competitive salaries.

TABLE 2
OVERALL SALARY SURVEY RESULTS

<u>Employer Sample</u>	<u>Salary</u>	<u>Percent Montana is Above (Below) Survey</u>
Neighboring States	Minimum	(5.4)
	Maximum	(10.1)
	Average or Midpoint	(7.9)
	Total Compensation	(5.6)
Montana Employers	Minimum	(1.6)
	Maximum	0.3
	Average or Midpoint	(1.0)
	Total Compensation	1.6

Montana's average classified grade level is 11. The average grade of classes surveyed within the neighboring states is 13 while that for classes surveyed within Montana is 10. It is important to note this as it partially explains why the overall results of the survey of neighboring states differs from the overall results of the survey of Montana employers.

Overall, the survey of neighboring states indicates that Montana salaries are generally less than the average of the ten selected states. This discrepancy averages about 8% below market, which is nearly the same as in 1982 when the discrepancy also averaged about 8% below market.

On the other hand, state salaries are nearly equal to the average salaries paid by other Montana based employers. It should be noted, however, that most professional and many technical occupations could not be effectively surveyed in-state. Thus, it can be generally stated that state salaries are structured to be more competitive with labor markets at the lower skill levels.

The total value of the state's benefits is generally greater than that provided by employers in both selected labor markets. Thus, the competitiveness of state jobs improves by adding benefits to average salaries to be emphasized as a total compensation package.

GRADE LEVEL COMPARISONS

Graph 1 illustrates the state's salary competitiveness within the various classified grade levels. The exact percentage differences are shown on tables 3 and 4. It appears that the state is paying near or below average at all classified grade levels. The peak of this below-average trend is at grade 16, where state salaries average 15.8% below market.

The physicians pay plan is represented by grades 31 and 32. These state salaries are above average at the hire rate but near or below average thereafter.

Pay for liquor store clerks, represented by grade 44, is at or slightly above average.

Crafts (grades 55 through 62) with the exception of grade 62 crafts (plumbers), are generally paid by the state salaries that are near market averages. State salaries at grade 62 are noticeably below market. With crafts occupations, it is important to note that average salary comparisons are much more reliable than minimum or maximum salary comparisons simply because most employers provide a single pay rate rather than a range of rates to crafts employees.

The state's institutional teachers (grade 71) are paid less than their counterparts in Montana school districts.

TABLE 3
NEIGHBORING STATES
PERCENT MONTANA IS ABOVE (BELOW) MEAN

<u>Grade</u>	<u>Minimum Salaries</u>	<u>Maximum Salaries</u>	<u>Average or Midpoint</u>	<u>Total Compensation</u>
5*	(5.9	(5.5)	(2.7)	(1.8)
6	(10.6)	(10.7)	(9.8)	(8.0)
7	2.1	1.8	3.4	4.4
8	(3.4)	(4.5)	(5.0)	(3.3)
9	(9.2)	(9.9)	(10.4)	(9.1)
10	(3.1)	(4.1)	(1.4)	(0.5)
11	(8.1)	(9.4)	(7.5)	(6.3)
12	(10.2)	(11.4)	(10.7)	(9.5)
13	(8.9)	(10.9)	(10.8)	(9.7)
14	(11.4)	(13.3)	(13.3)	(12.2)
15	(13.3)	(16.0)	(12.2)	(11.3)
16	(15.7)	(18.6)	(15.8)	(14.8)
17	(10.8)	(14.1)	(6.8)	(6.0)
18	(11.6)	(14.2)	(10.9)	(9.9)
19	(6.7)	(12.3)	(6.0)	(2.4)
20	(13.8)	(18.9)	(3.6)	(3.0)
21	1.0	(10.4)	(3.5)	(2.6)
22	1.8	(15.6)	(12.6)	(11.3)
31	25.3	(6.8)	1.1	1.0
32	29.4	3.4	2.8	2.7
44	2.8	(1.8)	14.0	4.3

* Statistics presented are from available data that does not adequately represent the grade level as a whole and should not be used to make decisions affecting the bulk of all positions and classes within the grade.

TABLE 4
MONTANA EMPLOYERS
PERCENT MONTANA IS ABOVE (BELOW) MEAN

<u>Grade</u>	<u>Minimum Salaries</u>	<u>Maximum Salaries</u>	<u>Average or Midpoint</u>	<u>Total Compensation</u>
4	(5.4)	2.3	(5.0)	(5.1)
5	(2.3)	7.6	(3.2)	(0.7)
6	5.0	12.1	5.0	4.6
7	1.9	11.4	(1.4)	(1.4)
8	3.6	10.5	3.3	5.1
9	(2.1)	4.2	(8.6)	(3.7)
10	(1.9)	2.2	--	0.2
11*	2.8	6.1	3.1	4.4
12*	(9.6)	(9.5)	(5.6)	(4.4)
13*	0.9	5.5	3.1	5.9
14*	1.2	9.2	5.5	7.8
15*	(4.2)	(4.5)	3.0	5.6
16*	(9.8)	(13.6)	2.0	2.6
17*	(5.1)	(8.3)	0.2	2.1
55	7.4	4.8	(3.8)	(5.4)
57	19.4	7.5	0.1	4.9
59	13.3	(0.6)	0.1	2.9
60	30.8	2.5	(0.2)	2.7
61	15.2	(18.5)	(4.9)	(0.1)
62	(3.0)	(20.8)	(15.8)	1.4
71	(15.0)	(25.7)	(13.9)	Unavail.

* Statistics presented are from available data that does not adequately represent the grade level as a whole and should not be used to make decisions affecting the bulk of all positions and classes within the grade.

GRAPH 1

CLASSIFIED GRADE LEVELS ONLY
AVERAGE OR MIDPOINT SALARIES
PERCENT MONTANA IS ABOVE (BELOW) MEAN

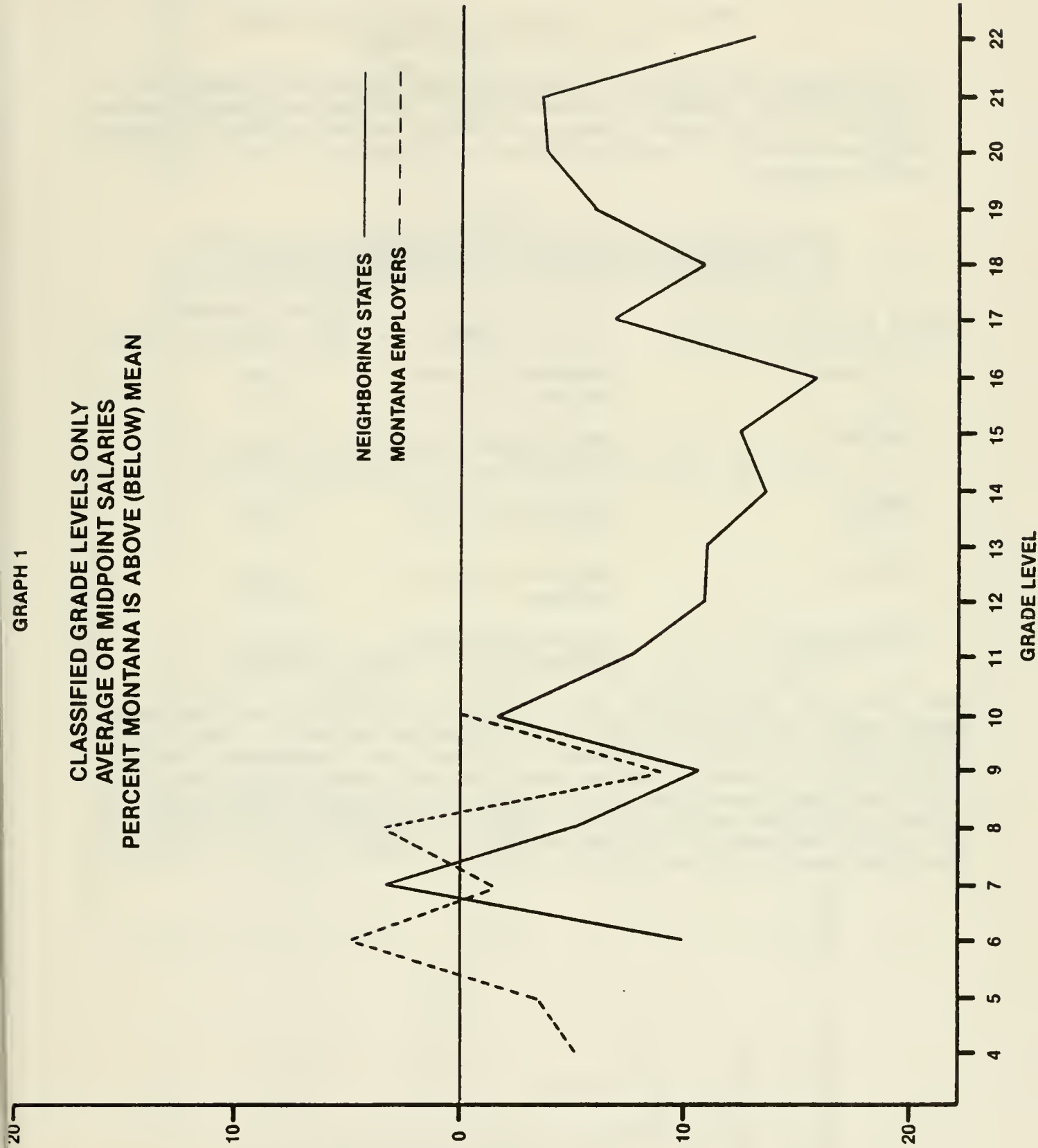
NEIGHBORING STATES
MONTANA EMPLOYERS

ABOVE MEAN

BELOW MEAN

PERCENT DIFFERENCES

GRADE LEVEL



AVERAGE OR MIDPOINT SALARY COMPARISONS BY OCCUPATIONAL GROUP

The following table shows the competitiveness of Montana average or midpoint salaries by general occupational group. With the exception of professional and technical classes, state pay is nearly competitive with the averages. State professional and technical salaries are respectively 7.9% and 6.1% below market averages.

TABLE 5
COMPETITIVENESS OF MONTANA AVERAGE OR MIDPOINT
SALARIES BY GENERAL OCCUPATIONAL GROUP

<u>General Occupational Group</u>	<u>Employer Sample</u>	<u>Percent Montana is Above (Below) Survey</u>
Professional	Neighboring States Montana	(7.9) 0.9
Technical	Neighboring States Montana	(6.1) 9.5
Clerical	Neighboring States Montana	(2.3) 0.1
Crafts	Neighboring States Montana	(3.5) (0.7)
Miscellaneous	Neighboring States Montana	12.3 (5.5)

From the table, it is obvious that the survey results of the Neighboring States conflict somewhat with those of the Montana Employers. The biggest discrepancies exist with Professional, Technical and Miscellaneous Occupations. The out-of-state survey had more than four times as many Professional and Technical classes than the in-state survey. On the other hand, the in-state survey had more than three times as many miscellaneous classes than the out-of-state survey. The law of numbers suggests where the emphasis should be placed in analyzing these results.

TABLE 6
IN-STATE SALARY SURVEY RESULTS BY KEY CLASS/OCCUPATION

KEY CLASS/OCCUP.GROUP	GRADE	MEAN SURVEY SALARY	MEAN STATE SALARY	% STATE SALARY IS ABOVE (BELOW) MEAN	STATE RANKING	% EMPLOYERS WITH LOWER AVERAGE SALARIES
Civil Engineer II	13	1,961	1,749	(10.9)	8/10	22
Civil Engineer V	16	2,466	2,628	6.5	3/8	71
ENGINEERING & ARCHITECTURE - PROFESSIONAL						
Computer Programmer I	11	1,515	1,355	(10.6)	8/11	30
Computer Programmer II	13	1,896	1,853	(2.3)	10/13	25
Programmer Analyst II	14	1,966	1,954	(0.7)	9/16	47
Programmer Analyst III	15	2,494	2,260	(9.4)	9/15	43
COMPUTER SCIENCE - PROFESSIONAL						
				(5.7)	36/55	37
Professional Nurse I	12	1,449	1,536	6.0	12/26	56
Professional Nurse II	13	1,637	1,778	8.6	11/34	70
Professional Nurse III	14	1,812	2,029	11.9	5/19	78
NURSING - PROFESSIONAL						
				8.8	28/79	67
Medical Technologist II	14	1,718	1,890	10.0	2/19	94
OTHER HEALTH - PROFESSIONAL						
				10.0	2/19	94
Teacher	71	1,801	1,552	(13.9)	19/22	14
EDUCATION - PROFESSIONAL						
				(13.9)	19/22	14
Librarian	12	1,600	1,650	3.1	12/26	56
LIBRARY & ARCHIVAL SCIENCES - PROFESSIONAL						
				3.1	12/26	56

TABLE 6 - continued
IN-STATE SALARY SURVEY RESULTS BY KEY CLASS/OCCUPATION

KEY CLASS/OCCUP.GROUP	GRADE	MEAN SURVEY SALARY	MEAN STATE SALARY	% STATE SALARY IS ABOVE (BELOW) MEAN	STATE RANKING	% EMPLOYERS WITH LOWER AVERAGE SALARIES
Accounting Specialist I	11	1,519	1,516	(0.2)	17/42	61
Accountant II	15	1,930	2,122	9.9	18/41	58
Accounting & Fiscal Mgr. III	17	2,702	2,710	0.2	23/47	50
ACCOUNTING - PROFESSIONAL				3.3	58/130	57
Program Specialist II	13	1,529	1,673	9.4	4/10	67
Management Analyst III	15	2,095	2,153	2.7	4/8	57
Administrative Officer III	15	2,204	2,149	(2.5)	9/21	60
GEN. BUSINESS & ECONOMICS - PROFESSIONAL				3.2	17/39	61
TOTAL ALL PROFESSIONAL				0.9	183/388	55
Drafter II	9	1,406	1,166	(17.1)	16/16	0
ENGINEERING & ARCHITECTURE - TECHNICAL				(17.1)	16/16	0
LETS Operator Specialist II	9	1,091	1,188	8.9	5/14	69
Computer Operator II	11	1,241	1,355	9.1	6/24	78
Computer Operator III	13	1,509	1,740	15.3	2/20	95
COMPUTER SCIENCE - TECHNICAL				11.1	13/58	82
Nurse Aide I	7	872	1,080	23.8	2/25	96
Licensed Practical Nurse II	10	1,179	1,338	13.4	3/26	92
HEALTH - TECHNICAL				18.6	5/51	94
Teacher Aide II	8	907	1,122	23.7	4/24	87
EDUCATIONAL - TECHNICAL				23.7	4/24	87

TABLE 6 - continued
IN-STATE SALARY SURVEY RESULTS BY KEY CLASS/OCCUPATION

KEY CLASS/OCCUP.GROUP	GRADE	MEAN SURVEY SALARY	MEAN STATE SALARY	% STATE SALARY IS ABOVE (BELOW) MEAN	STATE RANKING	% EMPLOYERS % EMPLOYERS WITH LOWER AVERAGE SALARIES
Library Technician II	10	960	1,357	41.3	1/17	100
LIBRARY & ARCHIVAL SCIENCES - TECHNICAL						
Payroll Technician	9	1,277	1,288	0.8	29/64	56
Accounting Technician II	10	1,364	1,426	4.5	17/43	62
ACCOUNTING - TECHNICAL						
Security Guard II	6	973	693	(19.3)	2/10	89
PROTECTIVE SERVICES - TECHNICAL						
TOTAL TECHNICAL				(19.3)	2/10	89
				9.5	87/283	72
Office Clerk I	4	905	860	(5.0)	25/48	53
File Clerk II	5	893	924	3.4	8/28	74
Data Entry Operator I	5	1,033	879	(15.0)	18/28	37
Typist II	6	997	988	(1.0)	17/38	57
Receptionist I	6	944	964	2.1	37/89	58
Stenographic Clerk II	7	1,091	1,042	(4.5)	18/30	41
Word Processing Operator II	7	1,052	1,038	(1.4)	12/25	54
Data Entry Operator III	7	1,104	1,072	(2.9)	15/25	42
Secretary II	8	1,114	1,137	2.0	35/78	56
Legal Secretary II	9	1,204	1,252	3.9	8/21	65
Data Entry Supervisor II	9	1,554	1,304	(16.1)	7/12	45
Clerk Supervisor II	9	1,288	1,313	1.9	10/16	40
Office Supervisor II	10	1,568	1,484	(5.4)	22/50	57
Administrative Secretary II	11	1,333	1,538	15.3	13/77	84
GENERAL - CLERICAL						
				(1.6)	245/565	58
Accounting Clerk III	8	1,169	1,164	(0.5)	36/83	57
ACCOUNTING - CLERICAL						
				(0.5)	36/83	57

TABLE 6 - continued
IN-STATE SALARY SURVEY RESULTS BY KEY CLASS/OCCUPATION

KEY CLASS/OCCUP.GROUP	GRADE	MEAN SURVEY SALARY	MEAN STATE SALARY	% STATE SALARY IS ABOVE (BELOW) MEAN	STATE RANKING	% EMPLOYERS WITH LOWER AVERAGE SALARIES
Mail Clerk II	6	834	979	17.3	4/30	90
Stock Clerk II	8	1,119	1,258	12.4	9/36	77
Stock Clerk Supervisor	10	1,522	1,476	(3.1)	12/25	54
SHIPPING & RECEIVING - CLERICAL				8.8	25/91	75
TOTAL CLERICAL				0.1	306/739	60
Maintenance Worker III	10	1,328	1,378	3.7	22/53	60
Maintenance Supervisor I	12	1,874	1,739	(7.3)	25/44	49
Building Codes Inspector	14	1,772	1,864	5.1	3/8	71
Maintenance Services Mgr. I	16	2,342	2,478	5.8	9/22	62
Carpenter	60	1,910	1,800	(5.8)	13/20	37
Plumber	62	2,361	1,998	(15.8)	8/10	22
STRUCTURAL - CRAFTS				(2.3)	80/157	51
Stationary Engineer II	11	1,714	1,597	(6.9)	17/26	36
Truck Driver Under 5-Ton	57	1,609	1,612	0.1	9/18	53
Equipment Operator	59	1,769	1,771	0.1	17/35	53
Mechanic/Machinist	60	1,764	1,815	2.8	17/41	60
Working Shop Foreman	61	2,021	1,922	(4.9)	12/28	59
MACHINE OPERATORS & MECHANICS - CRAFTS				(1.7)	72/148	53
Baker II	9	1,092	1,244	13.9	3/15	86
PERSONAL SERVICES - CRAFTS				13.9	3/15	86
TOTAL CRAFTS				(0.7)	155/320	54

TABLE 6 - continued
IN-STATE SALARY SURVEY RESULTS BY KEY CLASS/OCCUPATION

KEY CLASS/OCCUP. GROUP	GRADE	MEAN SURVEY SALARY	MEAN STATE SALARY	% STATE SALARY IS ABOVE (BELOW) MEAN	STATE RANKING	% EMPLOYERS WITH LOWER AVERAGE SALARIES
Food Service Worker I	5	832	939	12.8	12/47	76
Laundry Worker I	6	840	973	15.8	5/26	84
Cook II	8	1,083	1,169	7.9	12/47	76
PERSONAL & DOMESTIC - MISCELLANEOUS				12.1	29/120	78
Custodial Worker III	7	1,040	1,056	1.5	33/80	59
Groundskeeper II	8	1,206	1,251	3.7	11/31	67
Custodial Supervisor I	9	1,272	1,213	(4.7)	22/44	51
CUSTODIANS - MISCELLANEOUS				0.1	66/155	59
Laborer I	5	1,310	880	(32.9)	12/15	21
Laborer III	7	1,450	1,029	(29.1)	14/16	13
Warehouse Worker II	9	1,586	1,166	(26.5)	19/23	18
Laborer	55	1,498	1,442	(3.8)	15/21	30
UNSKILLED/SEMISKILLED - MISCELLANEOUS				(23.0)	60/75	21
TOTAL MISCELLANEOUS				(5.5)	155/350	57
TOTAL KEY CLASSES				(1.7)	886/2,080	59

TABLE 7
OUT-OF-STATE SALARY SURVEY RESULTS BY KEY CLASS/OCCUPATION

KEY CLASS/OCCUP.GROUP	GRADE	MEAN SURVEY SALARY	MEAN STATE SALARY	% STATE SALARY IS ABOVE (BELOW) MEAN	STATE RANKING	% EMPLOYERS WITH LOWER AVERAGE SALARIES
Admin., Publication & Graphics Div.	18	2,590	2,913	12.5	3/8	71
Chief, Disability Determination Bur.	18	3,073	2,913	(5.2)	6/8	29
Administrator, Energy Division	19	3,348	3,220	(3.9)	3/6	60
Director, MT Historical Society	20	3,154	3,489	10.6	4/9	62
Admin., St. Personnel Division	20	3,987	3,489	(12.5)	9/11	20
Admin., Prop. Assessment Div.	21	3,425	3,650	6.6	3/8	71
Admin., Environmental Sc. Div.	21	4,137	3,650	(11.8)	6/8	29
Admin. Mental Health & Res. Services Div.	22	4,528	3,958	(12.6)	7/9	25
TOP OFFICIALS - PROFESSIONAL				(4.1)	41/67	44
Civil Engineer II	13	2,272	1,749	(23.1)	11/11	0
Architect II	14	2,608	1,970	(24.5)	8/8	0
Hydrologist III	14	2,565	1,824	(28.9)	10/10	0
Environmental Engineer III	15	2,636	2,208	(16.3)	10/11	10
Civil Engineer V	16	3,321	2,628	(20.9)	10/11	10
Civil Engineer Manager II	18	3,800	3,121	(17.9)	10/10	0
ENGINEERING & ARCHITECTURE - PROFESSIONAL				(21.9)	59/61	4
Computer Programmer I	11	1,608	1,355	(15.8)	7/9	25
Computer Programmer II	13	1,792	1,853	3.4	5/9	50
Programmer Analyst II	14	2,178	1,954	(10.3)	8/9	12
Programmer Analyst III	15	2,516	2,260	(10.2)	8/9	12
Software Specialist II	15	2,441	2,150	(12.0)	10/11	10
Software Specialist III	16	2,883	2,575	(10.7)	8/9	12
Data Processing Manager III	17	3,492	2,861	(18.1)	8/9	12
COMPUTER SCIENCE - PROFESSIONAL				(10.5)	52/65	22

TABLE 7 - continued
OUT-OF-STATE SALARY SURVEY RESULTS BY KEY CLASS/OCCUPATION

KEY CLASS/OCCUP.GROUP	GRADE	MEAN SURVEY SALARY	MEAN STATE SALARY	% STATE SALARY IS ABOVE (BELOW) MEAN	STATE RANKING	% EMPLOYERS WITH LOWER AVERAGE SALARIES
Wildlife Area Manager I	12	1,700	1,882	10.7	3/9	75
Agricultural Inspector II	13	1,752	1,994	13.8	2/7	83
Forester IV	14	2,206	2,016	(8.7)	6/9	38
Resource Program Mgr. II	17	2,339	2,727	16.5	1/5	100
FORESTRY & AGRICULTURAL SCIENCES - PROFESSIONAL				8.0	12/30	69
Microbiologist II	12	1,865	1,723	(7.7)	7/11	40
Fish & Wildlife Biologist II	13	1,990	1,660	(16.6)	8/9	12
Fish & Wildlife Biologist Supvr.	16	2,644	2,532	(4.3)	6/9	38
BIOLOGICAL SCIENCES - PROFESSIONAL				(9.5)	21/29	31
Chemist I	11	1,549	1,375	(11.3)	9/11	20
Statistician II	12	1,771	1,640	(7.4)	8/11	30
Reclamation Specialist I	13	1,912	1,602	(16.3)	7/9	25
Geologist II	14	2,354	2,110	(10.4)	10/11	10
Environmental Specialist III	14	2,186	1,850	(15.4)	9/9	0
Forensic Scientist III	15	2,482	2,226	(10.4)	4/7	50
Environmental Program Mgr. I	16	3,155	2,429	(23.1)	8/9	12
OTHER PHYSICAL & LIFE SCIENCES - PROFESSIONAL				(13.4)	55/67	20
Rehabilitation Counselor I	11	1,449	1,539	6.2	4/9	62
Social Worker I	11	1,455	1,414	(2.9)	5/10	56
Rehabilitation Counselor II	12	1,795	1,657	(7.7)	7/9	25
Community Corrections Spec. II	12	1,803	1,584	(12.2)	10/11	10
Rehabilitation Counselor III	13	2,132	1,866	(12.5)	10/10	0
Social Worker Supervisor III	15	2,493	2,260	(9.4)	9/11	20
Psychologist IV	16	2,607	2,275	(12.8)	7/8	14
Psychologist V	17	3,134	2,480	(20.9)	10/10	0
Human Services Manager II	17	2,653	2,616	(1.4)	5/8	43
BEHAVIORAL SCIENCES - PROFESSIONAL				(8.1)	67/86	25

TABLE 7 - continued
OUT-OF-STATE SALARY SURVEY RESULTS BY KEY CLASS/OCCUPATION

KEY CLASS/OCCUP.GROUP	GRADE	MEAN SURVEY SALARY	MEAN STATE SALARY	% STATE SALARY IS ABOVE (BELOW) MEAN	STATE RANKING	% EMPLOYERS WITH LOWER AVERAGE SALARIES
Full Credential Physician	31	4,659	4,713	1.1	6/9	38
Physician Specialist	32	5,018	5,161	2.8	4/9	62
MEDICINE - PROFESSIONAL				1.9	10/18	50
Dentist I	19	3,629	3,105	(14.5)	8/9	12
DENTISTRY - PROFESSIONAL				(14.5)	8/9	12
Dist. Vet. Livestock Insp. Supvr.	19	2,858	2,736	(4.3)	4/6	40
VETERINARY MEDICINE - PROFESSIONAL				(4.3)	4/6	40
Pharmacist	14	2,302	1,951	(15.3)	11/11	0
PHARMACY - PROFESSIONAL				(15.3)	11/11	0
Professional Nurse I	12	1,550	1,536	(1.0)	5/10	56
Professional Nurse II	13	1,721	1,778	3.3	3/10	78
Professional Nurse III	14	2,061	2,028	(1.7)	4/10	67
Psychiatric Nurse IV	15	2,562	2,246	(12.4)	6/8	29
Public Health Nurse Consultant I	15	2,207	2,188	(0.9)	4/6	40
Nursing Services Mgr. II	17	2,507	2,862	14.1	2/10	89
NURSING - PROFESSIONAL				0.2	24/54	62
Medical Technologist II	14	1,756	1,990	13.3	3/9	75
Physical Therapist	14	2,068	1,919	(7.3)	8/11	30
Health Services Program Supvr.	15	2,667	2,088	(21.8)	6/7	17
OTHER HEALTH - PROFESSIONAL				(5.2)	17/27	42

TABLE 7 - continued
OUT-OF-STATE SALARY SURVEY RESULTS BY KEY CLASS/OCCUPATION

KEY CLASS/OCCUP.GROUP	GRADE	MEAN SURVEY SALARY	MEAN STATE SALARY	% STATE SALARY IS ABOVE (BELOW) MEAN	STATE RANKING	% EMPLOYERS WITH LOWER AVERAGE SALARIES
Education Program Representative	16	2,584	2,346	(9.3)	7/9	25
EDUCATION - PROFESSIONAL				(9.3)	7/9	25
Librarian I	12	1,653	1,650	(0.2)	4/11	70
Curator I	13	1,467	1,612	9.8	4/8	57
LIBRARY & ARCHIVAL SCIENCES - PROFESSIONAL				4.8	8/19	65
Lawyer II	15	2,398	1,972	(17.8)	6/8	29
Lawyer IV	18	3,297	2,603	(21.1)	6/6	0
LAW - PROFESSIONAL				(19.4)	12/14	17
Photographer I	11	1,572	1,474	(6.3)	8/11	30
Editor II	13	1,895	1,815	(4.3)	5/8	43
Information Officer III	15	2,115	2,107	(0.4)	7/11	40
ART, PHOTOGRAPHY, JOURNALISM AND RADIO/TV - PROFESSIONAL				(3.6)	20/30	37
Accounting Specialist I	11	1,545	1,516	(1.9)	6/11	50
Auditor III	13	2,073	1,709	(17.6)	9/10	11
Accountant II	15	2,303	2,122	(7.9)	7/11	40
Accounting & Fiscal Mgr. III	17	2,937	2,710	(7.8)	8/11	30
ACCOUNTING - PROFESSIONAL				(8.8)	30/43	33
Employment Interviewer	11	1,392	1,435	3.0	5/11	60
Employment Specialist	12	1,701	1,708	0.4	5/11	60
Personnel Specialist II	13	2,022	1,584	(21.7)	10/11	10
Program Specialist II	13	1,888	1,673	(11.4)	5/7	33
Project Evaluator II	14	2,129	1,833	(14.0)	4/5	25
Employment Manager I	14	2,302	2,088	(9.3)	8/10	22

TABLE 7 - continued
OUT-OF-STATE SALARY SURVEY RESULTS BY KEY CLASS/OCCUPATION

KEY CLASS/OCCUP.GROUP	GRADE	MEAN SURVEY SALARY	MEAN STATE SALARY	% STATE SALARY IS ABOVE (BELOW) MEAN	STATE RANKING	% EMPLOYERS WITH LOWER AVERAGE SALARIES
Management Analyst III	15	2,281	2,153	(5.7)	7/10	33
Personnel Officer II	15	2,757	2,210	(19.9)	9/11	20
Administrative Officer III	15	2,646	2,149	(18.8)	8/9	12
Economist III	16	2,610	2,383	(8.7)	3/7	67
GENERAL BUSINESS & ECONOMICS - PROFESSIONAL				(10.6)	64/92	34
Health Care Facility Surveyor	14	1,914	1,991	4.0	4/8	57
Superintendent Institution III	19	3,085	3,152	2.1	5/9	50
HOSPITAL ADMINISTRATION - PROFESSIONAL				3.0	9/17	53
Correctional Sergeant	12	1,826	1,647	(9.9)	8/10	22
Fish & Game Warden II	13	1,819	1,675	(8.0)	9/10	11
Highway Patrol Sergeant	14	2,415	2,218	(8.2)	7/10	33
Highway Patrol Officer II	14	1,983	2,104	6.1	4/10	67
Highway Patrol Captain	16	2,958	2,562	(13.4)	8/10	22
PROTECTIVE SERVICES - PROFESSIONAL				(6.6)	36/50	31
Planner IV	14	2,293	1,935	(15.7)	9/10	11
Emergency Management Spec. II	14	2,022	1,882	(7.0)	7/9	25
Planning Manager II	17	2,859	2,661	(7.0)	5/9	50
PLANNING - PROFESSIONAL				(9.9)	21/28	28
Pilot II	14	2,240	1,839	(18.0)	11/11	0
AVIATION - PROFESSIONAL				(18.0)	11/11	0
TOTAL PROFESSIONAL				(7.9)	621/865	32

TABLE 7 - continued
OUT-OF-STATE SALARY SURVEY RESULTS BY KEY CLASS/OCCUPATION

KEY CLASS/OCCUP. GROUP	GRADE	MEAN SURVEY SALARY	MEAN STATE SALARY	% STATE SALARY IS ABOVE (BELOW) MEAN	STATE RANKING	% EMPLOYERS WITH LOWER AVERAGE SALARIES
Survey Aide II	8	1,250	1,084	(13.3)	7/10	33
Drafter II	9	1,421	1,166	(18.0)	9/10	11
Engineering Technician I	10	1,486	1,337	(10.1)	7/11	40
Design Technician II	11	1,817	1,506	(17.2)	7/8	12
Engineering Technician II	11	1,676	1,581	(5.7)	5/9	50
Engineering Technician III	13	2,055	1,895	(7.8)	7/11	40
Designer III	14	2,338	2,121	(9.3)	7/9	25
Design Supervisor	15	2,811	2,411	(14.3)	7/8	14
Field Project Manager	15	2,415	2,318	(4.1)	6/9	38
ENGINEERING & ARCHITECTURE - TECHNICAL				(11.0)	62/85	30
Word Processing Technician	9	1,181	1,259	6.6	3/9	75
LETS Operator Specialist II	9	1,348	1,198	(11.2)	5/7	33
COMPUTER SCIENCE - TECHNICAL				(2.3)	8/16	57
Forestry Worker II	7	1,113	1,010	(9.3)	5/6	20
Brand Inspector II	8	1,504	1,160	(22.9)	7/7	0
Agricultural Research Tech. I	10	1,248	1,368	9.6	3/5	50
Field Technician I	10	1,374	1,368	(0.5)	5/10	56
FORESTRY & AGRICULTURAL SCIENCES - TECHNICAL				(5.7)	20/28	33
Laboratory Aide II	8	1,125	1,124	(0.1)	5/10	56
Laboratory Technician II	10	1,325	1,349	1.8	5/10	56
Fish Hatchery Worker II	10	1,312	1,425	8.6	3/10	78
Laboratory Supervisor I	12	2,248	1,807	(19.7)	7/7	0
Fish Hatchery Manager I	13	1,898	2,027	6.7	5/11	60
OTHER PHYSICAL & LIFE SCIENCES - TECHNICAL				(0.5)	25/48	53

TABLE 7 - continued
OUT-OF-STATE SALARY SURVEY RESULTS BY KEY CLASS/OCCUPATION

KEY CLASS/OCCUP.GROUP	GRADE	MEAN SURVEY SALARY	MEAN STATE SALARY	% STATE SALARY IS ABOVE (BELOW) MEAN	STATE RANKING	% EMPLOYERS WITH LOWER AVERAGE SALARIES
Habilitation Aide I	7	982	1,020	3.8	6/11	50
Rehabilitation Aide I	8	1,175	1,199	2.0	3/6	60
Program Manager Aide	8	1,002	1,156	15.3	1/3	100
Research Aide III	9	1,556	1,166	(25.1)	5/5	0
Special Duty Aide	9	1,276	1,276	-	2/6	80
Habilitation Aide III	9	1,294	1,344	3.8	6/11	50
Cottage Life Attendant II	9	1,577	1,409	(10.7)	5/9	50
Eligibility Technician I	10	1,268	1,358	7.0	4/9	62
Eligibility Technician Supervisor	12	1,791	1,691	(5.6)	4/7	50
BEHAVIORAL SCIENCES - TECHNICAL						
				(1.0)	36/67	53
Psychiatric Aide I	7	1,036	1,055	1.8	4/8	57
Psychiatric Aide II	8	1,191	1,212	1.7	7/10	33
HEALTH - TECHNICAL						
				1.7	11/18	44
Library Technician II	10	1,343	1,357	1.0	4/11	70
LIBRARY & ARCHIVAL SCIENCES - TECHNICAL						
				1.0	4/11	70
Microfilm Clerk I	6	960	1,023	6.5	3/9	75
Graphic Artist III	9	1,558	1,244	(20.2)	10/10	0
ART, PHOTOGRAPHY, JOURNALISM AND RADIO/TV - TECHNICAL						
				(6.8)	13/19	35
Administrative Assistant I	9	1,303	1,270	(2.6)	6/9	38
Water Rights Analyst III	10	1,578	1,316	(16.7)	5/6	20
Right of Way Agent II	12	1,972	1,355	(31.3)	10/10	0

TABLE 7 - continued
OUT-OF-STATE SALARY SURVEY RESULTS BY KEY CLASS/OCCUPATION

KEY CLASS/OCCUP.GROUP	GRADE	MEAN SURVEY SALARY	MEAN STATE SALARY	% STATE SALARY IS ABOVE (BELOW) MEAN	STATE RANKING	% EMPLOYERS WITH LOWER AVERAGE SALARIES
Water Rights Analyst Supervisor	12	2,045	1,603	(21.7)	5/5	0
Right of Way Agent IV	14	2,392	2,104	(12.1)	8/10	22
Review Appraiser	15	2,427	2,395	(1.4)	5/10	56
GENERAL BUSINESS - TECHNICAL				(14.3)	39/50	25
Security Guard II	6	1,218	973	(20.2)	8/10	22
Correctional Officer II	10	1,533	1,425	(7.1)	7/10	33
GVW Enforcement Officer I	11	1,433	1,470	2.5	4/8	57
PROTECTIVE SERVICES - TECHNICAL				(8.2)	19/28	36
Communication Technician II	11	1,693	1,474	(13.0)	7/10	33
ELECTRONICS - TECHNICAL				(13.0)	7/10	33
TOTAL TECHNICAL				(6.1)	244/380	40
Assessing Clerk I	6	958	994	3.7	1/2	100
Word Processing Operator II	7	1,093	1,038	(5.1)	7/10	33
Duplicating Machine Operator II	8	1,177	1,111	(5.7)	6/10	44
GENERAL - CLERICAL				(2.3)	14/22	42
TOTAL CLERICAL				(2.3)	14/22	42
Building Codes Inspector	14	1,930	1,864	(3.5)	4/7	50
STRUCTURAL - CRAFTS				(3.5)	4/7	50
TOTAL CRAFTS				(3.5)	4/7	50

TABLE 7 - continued
OUT-OF-STATE SALARY SURVEY RESULTS BY KEY CLASS/OCCUPATION

KEY CLASS/OCCUP.GROUP	GRADE	MEAN SURVEY SALARY	MEAN STATE SALARY	% STATE SALARY IS ABOVE (BELOW) MEAN	STATE RANKING	% EMPLOYERS WITH LOWER AVERAGE SALARIES
Liquor Store Clerk, II	44	1,071	1,221	14.0	1/3	100
RETAIL SALES - MISCELLANEOUS				14.0	1/3	100
Home Attendant	7	910	1,143	25.6	1/9	100
PERSONAL & DOMESTIC - MISCELLANEOUS				25.6	1/9	100
Tour Guide II	5	943	918	(2.7)	4/7	50
MISCELLANEOUS SERVICES - MISCELLANEOUS				(2.7)	4/7	50
TOTAL MISCELLANEOUS				12.3	6/19	81
TOTAL KEY CLASSES				(5.7)	889/1,293	35

PROFESSIONAL OCCUPATIONS

This and prior state salary surveys have indicated that in professional occupations, state salaries have remained marginally competitive over the past few years. The 1980 and 1982 surveys suggested that this was one area that the state can least afford to become less competitive in obtaining and keeping qualified employees. Fortunately, the state of the economy has been such that state salaries have proved sufficient despite being somewhat below market. It is not known how long these conditions will continue to aid our efforts to recruit and retain qualified skills.

Tables 6, 7 and 8, and Graph 2 illustrate the comparison of Montana salaries, grouped by professional occupation, with the mean survey salaries.

Montana is 6.6% to 21.9% below mean for 14 of 23 professional groups. Groups where Montana salaries are within 6% of average survey salaries include Top Officials; Medicine; Veterinary Medicine; Nursing; Other Health Professionals; Library and Archival Sciences; Hospital Administration, and; Art, Photography, Journalism, and Radio/TV.

Conflicting results were obtained for the Engineering and Architecture; Other Health Professionals; Accounting, and; General Business and Economics occupations. The fact that more classes were surveyed out-of-state representing more employees and more reliable job matches suggests that these findings should be emphasized more than the in-state findings.

GRAPH 2

AVERAGE OR MIDPOINT SALARIES
PROFESSIONAL GROUPS
PERCENT MONTANA IS ABOVE (BELOW) MEAN

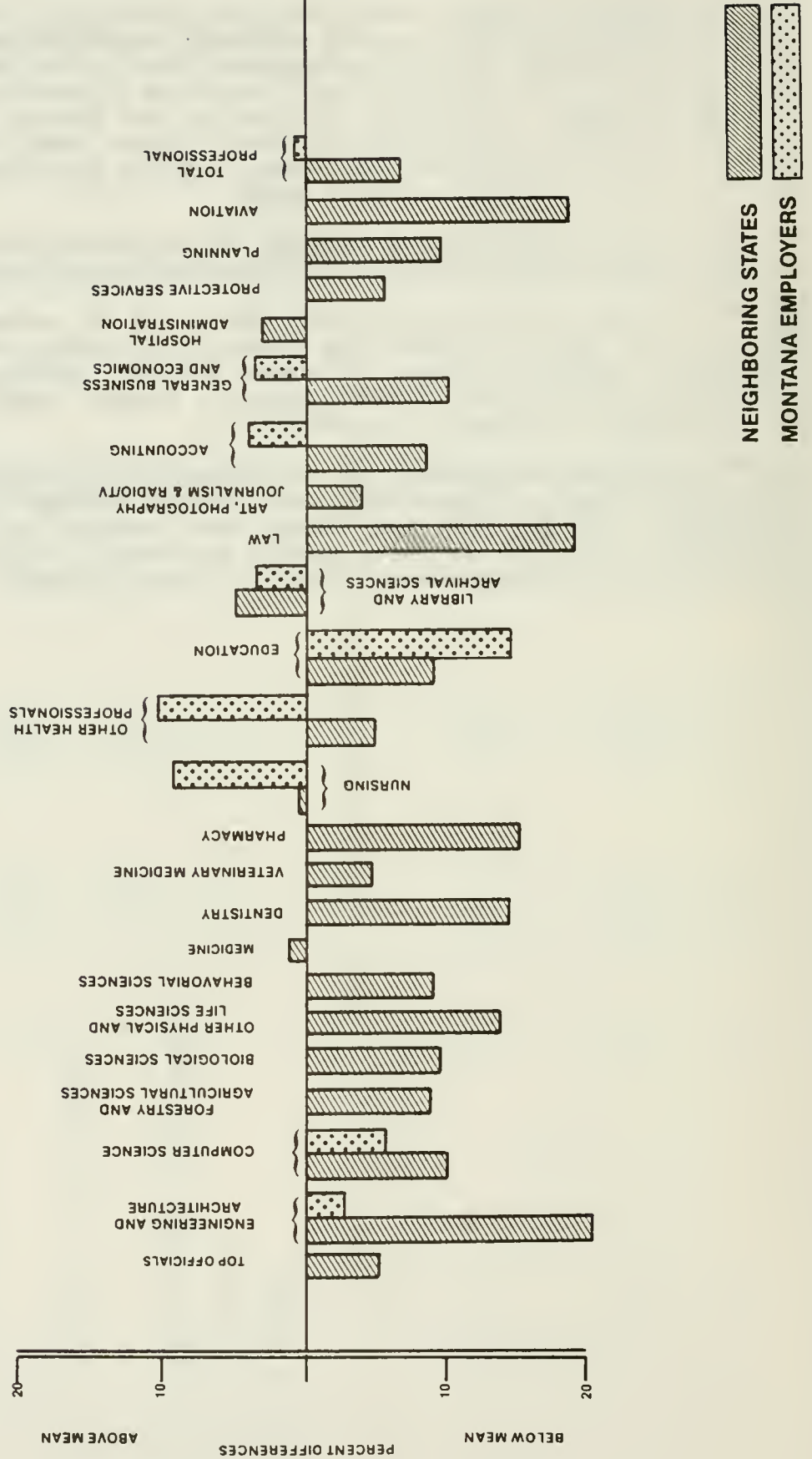


TABLE 8
PROFESSIONAL GROUPS
PERCENT MONTANA IS ABOVE (BELOW) MEAN

<u>Occupational Group</u>	<u>Neighboring States</u>	<u>Montana Employers</u>
Top Officials	(4.1)	*
Engineering & Architecture	(21.9)	(2.2)
Computer Science	(10.5)	(5.7)
Forestry & Agriculture Sciences	8.0	*
Biological Sciences	(9.5)	*
Other Physical & Life Sciences	(13.4)	*
Behavioral Sciences	(8.1)	*
Medicine	1.9	*
Dentistry	(14.5)	*
Veterinary Medicine	(4.3)	*
Pharmacy	(15.3)	*
Nursing	0.2	8.8
Other Health Professionals	(5.2)	10.0
Education	(9.3)	(13.9)
Library & Archival Sciences	4.8	3.1
Law	(19.4)	*
Art/Photography/Journalism & Radio/TV	(3.6)	*
Accounting	(8.8)	3.3
General Business & Economics	(10.6)	3.2
Hospital Administration	3.0	*
Protective Services	(6.6)	*
Planning	(9.9)	*
Aviation	(18.0)	*
Total	(7.9)	0.9

* No data available.

TECHNICAL OCCUPATIONS

Salary comparisons for technical occupations are shown on Tables 6, 7 and 9, and on Graph 3. Montana salaries are significantly below average with the following technical groups: Electronics; Engineering and Architecture; Protective Services; General Business, and; Art, Photography, Radio/TV and Journalism. Groups where Montana salaries are less than 6% below average include Forestry and Agricultural Sciences; Other Physical and Life Sciences, and; Behavioral Sciences. For the remaining technical groups, Montana salaries are generally above the mean survey salaries.

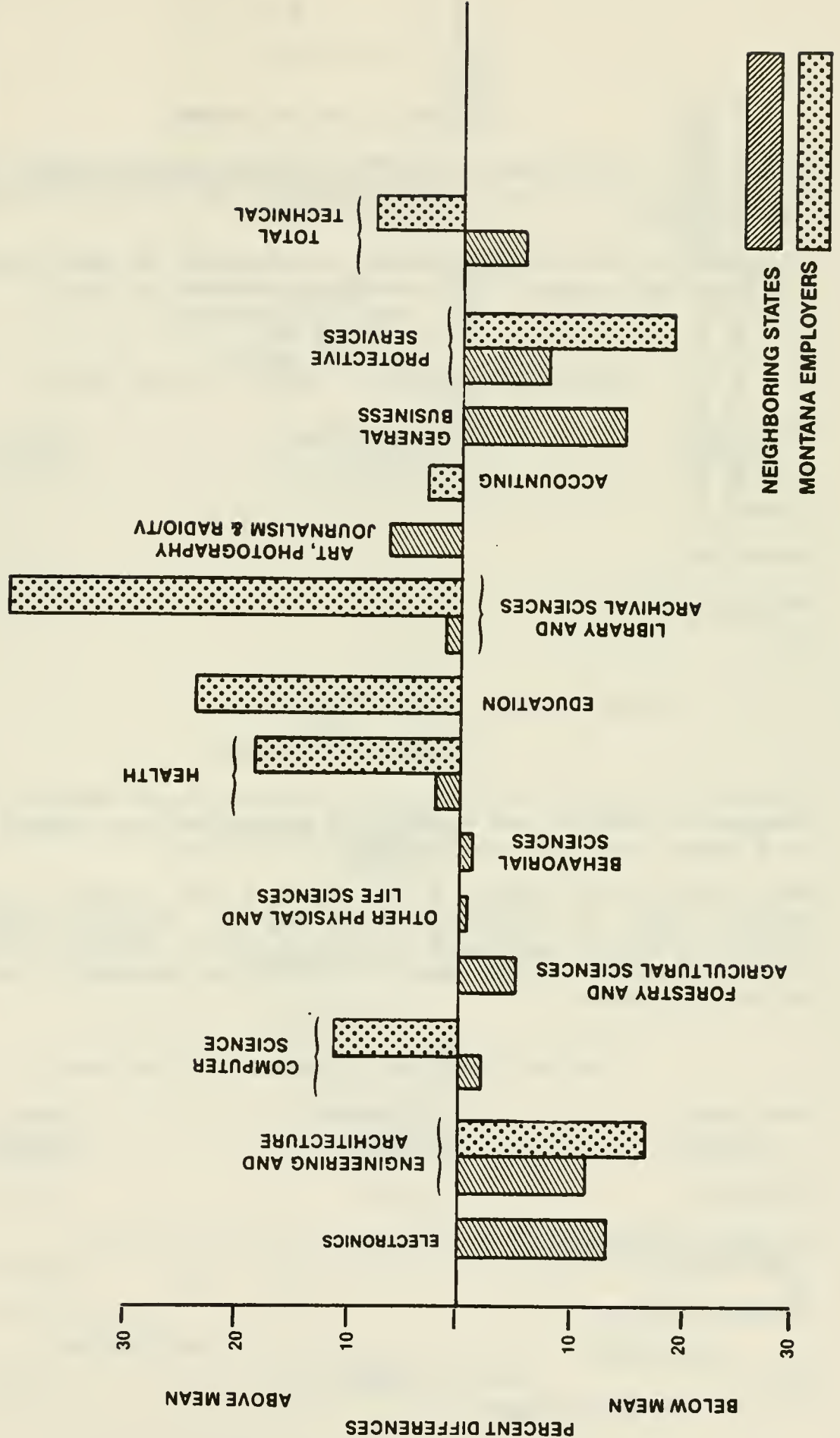
TABLE 9
TECHNICAL GROUP
PERCENT MONTANA IS ABOVE (BELOW) MEAN

<u>Occupational Group</u>	<u>Neighboring States</u>	<u>Montana Employers</u>
Electronics	(13.0)	*
Engineering & Architecture	(11.0)	(17.1)
Computer Science	(2.3)	11.1
Forestry & Agriculture Sciences	(5.7)	*
Other Physical & Life Sciences	(0.5)	*
Behavioral Sciences	(1.0)	*
Health	1.7	18.6
Education	*	23.7
Library & Archival Sciences	1.0	41.3
Art, Photography, Journalism & Radio/TV	(6.8)	*
Accounting	*	2.6
General Business	(14.3)	*
Protective Services	(8.2)	(19.3)
Electronics	(13.0)	*
Total	(6.1)	9.5

* No data available.

GRAPH 3

AVERAGE OR MIDPOINT SALARIES
TECHNICAL GROUP
PERCENT MONTANA IS ABOVE (BELOW) MEAN



CLERICAL OCCUPATIONS

Tables 6, 7, 10 and part of Graph 4 compare Montana clerical salaries with those found in the survey. Montana pays near or above average for all clerical groups.

In contrast to other clerical classes, state salaries for Data Entry Operators and Supervisors appear to be noticeably below market averages.

TABLE 10
CLERICAL GROUP
PERCENT MONTANA IS ABOVE (BELOW) MEAN

<u>Occupational Group</u>	<u>Neighboring States</u>	<u>Montana Employers</u>
General	(2.3)	(1.6)
Accounting	*	(0.5)
Shipping & Receiving	*	8.8
Total	(2.3)	0.1

* No data available.

CRAFT OCCUPATIONS

Tables 6, 7, 11 and the right side of Graph 4 depict Montana craft salaries compared to those of the survey. In general, Montana salaries paid to the craft groups seem to be near average.

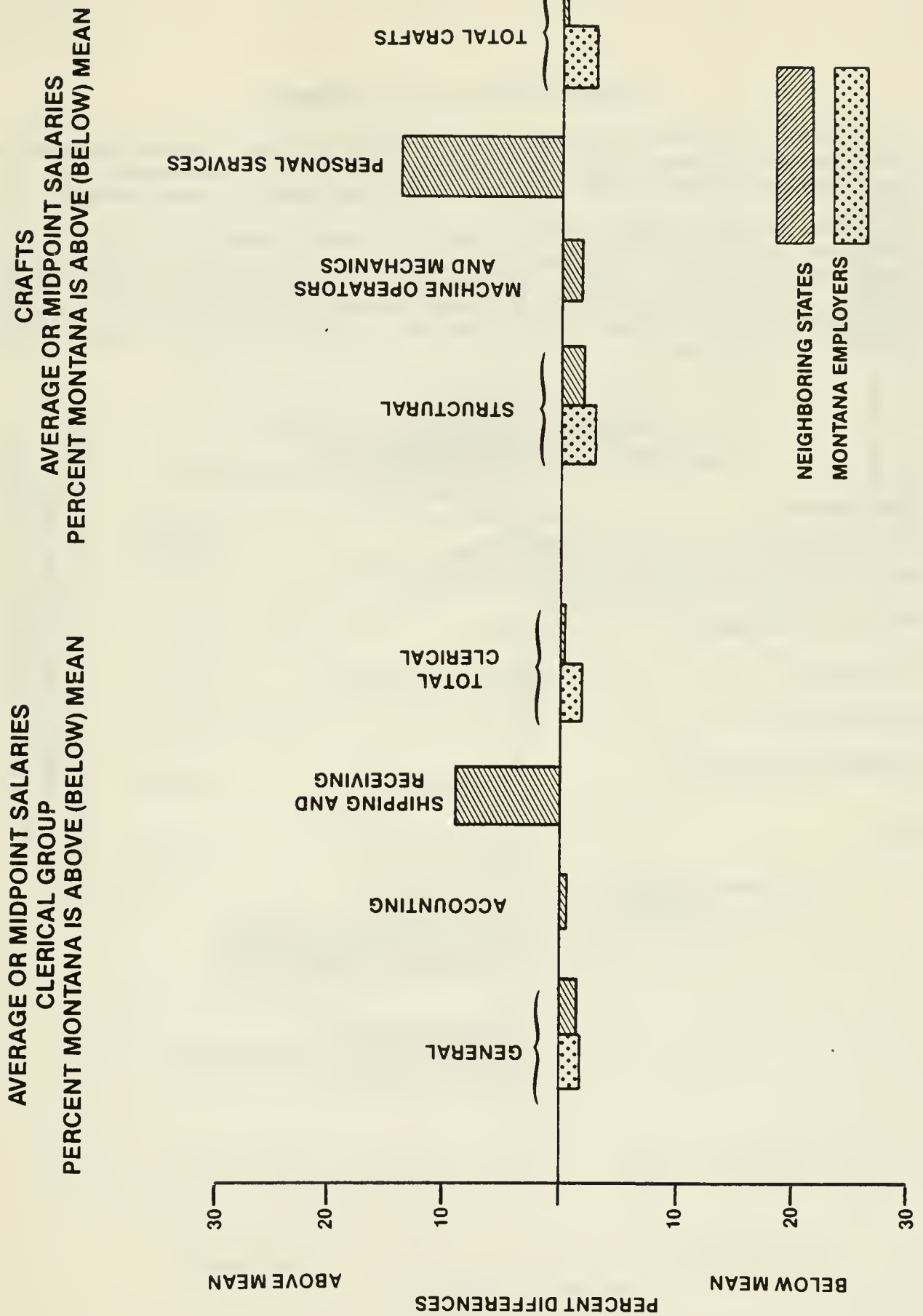
One difference noted earlier in this report is with Plumbers. In this case, Montana salaries are significantly below average. However, Montana normally offers its Plumbers year-round employment and the addition of state benefits negates the entire average salary differential as reflected in the total compensation calculations.

TABLE 11
CRAFTS
PERCENT MONTANA IS ABOVE (BELOW) MEAN

<u>Occupational Group</u>	<u>Neighboring States</u>	<u>Montana Employers</u>
Structural	(3.5)	(2.3)
Machine Operators and Mechanics	*	(1.7)
Personal Services	*	13.9
Total	(3.5)	(0.7)

* No data available.

GRAPH 4



MISCELLANEOUS OCCUPATIONS

On tables 6, 7, 12 and on Graph 5, the competitiveness of Montana salaries for Miscellaneous Groups is illustrated. With the exception of the Unskilled/Semi-skilled Group, Montana salaries are near or above average.

The Unskilled/Semi-skilled Group consists of three classified key classes and one class paid under the special Blue Collar plan. The results obtained for these two subgroups differ considerably. Specifically, the Blue Collar Laborer is being paid in line with market averages while the others are paid significantly below average. This indicates a need to further coordinate the two different pay plans.

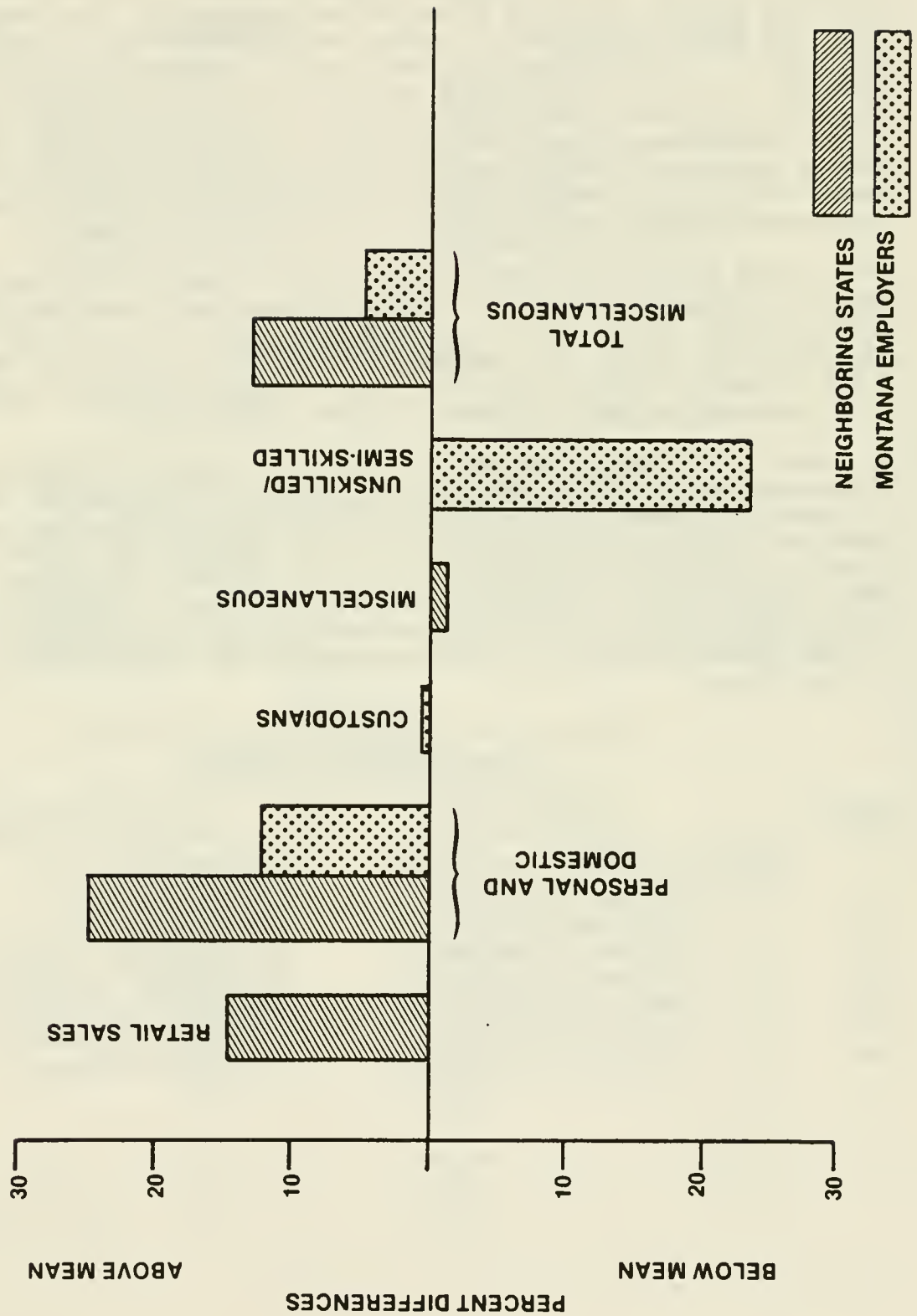
TABLE 12
AVERAGE OR MIDPOINT SALARIES
MISCELLANEOUS GROUPS
PERCENT MONTANA IS ABOVE (BELOW) MEAN

<u>Occupational Group</u>	<u>Neighboring States</u>	<u>Montana Employers</u>
Retail Sales	14.0	*
Personal & Domestic	25.6	12.1
Custodians	*	0.1
Miscellaneous	(2.7)	*
Unskilled/Semi-skilled	*	(23.0)
Total	12.3	5.5

* No data available.

GRAPH 5

AVERAGE OR MIDPOINT SALARIES
MISCELLANEOUS GROUPS
PERCENT MONTANA IS ABOVE (BELOW) MEAN



COMPARISON OF SEX SEGREGATED CLASSES

As stated earlier, some key classes were randomly selected and categorized according to their dominance of sex of job incumbents. The criteria of 70% or more was used to determine if a class was dominated by a particular sex of incumbents. The following table and Graph 6 illustrate the survey results by dominance of sex. One randomly selected class was analyzed for each of the classified grades 7 through 14 and for each defined market (in-state and out-of-state). Compared to both markets the state of Montana pays its male classes generally and significantly below market averages while paying its female and non-sex dominant classes generally near or above average. The extent of this difference is slightly more than one pay grade.

This result can be explained by the State's practice of placing job classes into pay grades based on their relative assessed skill levels and not based on their relative market rates. Compensation based on internal relationships (relative skill, effort, responsibility and working conditions) as determined by a job evaluation method is generally more favorable to female dominated classes than compensation based on external market relationships.

A number of studies, including the National Academy of Sciences Study on Comparable Worth, have concluded that there is substantial sex discrimination in market pay rates because compensation disparities between predominantly male and predominantly female cannot be explained by those factors that normally account for differences, i.e. different skill, effort and responsibility requirements or different working conditions. Assuming that market relationships between male and female dominated jobs contain some bias in favor of male dominated jobs, the state classification and pay practices correct some of these biases.

TABLE 13
MALE DOMINANT CLASSES

<u>Grade</u>	<u>In-state Class</u>	<u>Out-of-state Class</u>
7	Laborer III	Forestry Worker II
8	Groundskeeper II	Survey Aide II
9	Warehouse Worker II	Special Duty Aide I
10	Maintenance Worker III	Fish Hatchery Worker II
11	Stationary Engineer II	Engineering Technician II
12	Maintenance Supervisor I	Community Corrections Spec. II
13	Civil Engineer II	Reclamation Specialist I
14	Building Codes Inspector	Employment Manager I

TABLE 14
FEMALE DOMINANT CLASSES

<u>Grade</u>	<u>In-state Class</u>	<u>Out-of-state Class</u>
7	Steno. Clerk II	Home Attendant
8	Secretary II	Rehabilitation Aide I
9	Legal Secretary II	Administrative Assistant I
10	Office Supervisor II	Library Technician II
11	Administrative Sec'y. II	Social Worker I
12	Professional Nurse I	Elig. Technician Supervisor
13	Professional Nurse II	Professional Nurse II
14	Professional Nurse III	Professional Nurse III

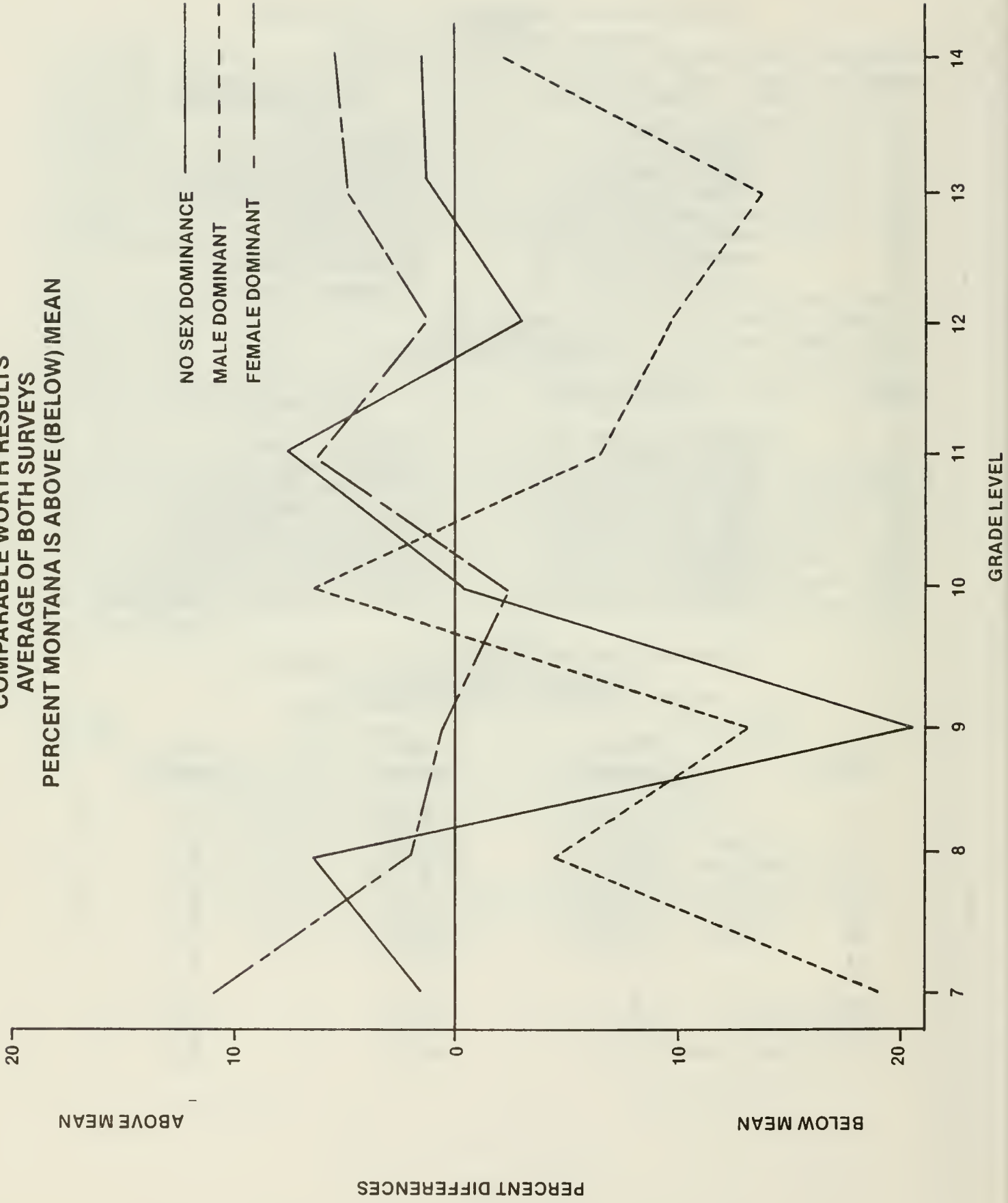
TABLE 15
NO SEX DOMINANCE

<u>Grade</u>	<u>In-state Class</u>	<u>Out-of-state Class</u>
7	Custodial Worker III	Psychiatric Aide I
8	Stock Clerk II	Laboratory Aide II
9	LETS Oper. Specialist II	LETS Oper. Specialist II
10	Stock Clerk Supervisor	Laboratory Technician II
11	Computer Operator II	Rehabilitation Counselor I
12	Librarian I	Rehabilitation Counselor II
13	Program Manager III	Rehabilitation Counselor III
14	Programmer Analyst II	Health Care Facility Surveyor

TABLE 16
ANALYSIS OF SEX SEGREGATED CLASSES
Average of Both Surveys
Percent Montana is Above (Below) Mean

<u>Grade</u>	<u>No Sex Dominance</u>	<u>Male Dominant</u>	<u>Female Dominant</u>
7	1.6	(19.2)	10.6
8	6.2	(4.8)	2.0
9	(20.5)	(13.2)	0.6
10	(0.6)	6.2	(2.2)
11	7.6	(6.3)	6.2
12	(2.3)	(9.8)	1.5
13	1.4	(13.6)	4.3
14	1.6	(2.1)	5.1
Total	4.1	(7.9)	4.5
In-state Total	11.6	(5.3)	8.9
Out-of-State Total	(3.4)	(10.5)	0.1

COMPARABLE WORTH RESULTS
 AVERAGE OF BOTH SURVEYS
 PERCENT MONTANA IS ABOVE (BELOW) MEAN



GENERAL COMPENSATION AND BENEFIT DATA

General compensation and benefit data are presented in outline form and in the same order as presented by the questionnaire. This outline includes the number of the question, the question, out-of-state summary of responses, and in-state summary of responses.

General Compensation and Benefit Questions:

1. When do you expect to grant your next general increase to your employees?
 - A. Out-of-state -- 8 of 10 states answered the question. Seven states are expecting a general pay increase during July, while another state expects the increase during January, 1985.
 - B. In-state -- 157 of 195 employers answered the question. Many dates were reported with the most common being July, 1985 (59 responses); and January, 1985 (37 responses).
 - C. The state of Montana is expected to grant its next general pay increase on July 6, 1985.
2. This general pay increase will average what percent?
 - A. Out-of-state -- One state reported that they expected a 5% general pay increase in January 1985.
 - B. In-state -- 106 of 195 employers answered the question. The average expected increase reported is 4.8%.
 - C. The current estimate of Montana's next general pay increase is 2%.
3. In addition to general increases, do you also grant other automatic pay increases based directly upon percent changes in cost of living or consumer prices?
 - A. Out-of-state -- Nine states said no to having automatic COLA pay increases. The other state gave no response.
 - B. In-state -- 192 of 195 employers answered the question. 173 said no to having automatic COLA pay increases.
 - C. The state of Montana does not grant COLA pay increases.
4. Exclusive of general and cost of living type pay increases, do your employees receive additional pay increases based on their length of service with the organization?
 - A. Out-of-state -- All 10 states answered the question. 6 said yes and 4 said no to having longevity type pay increases.

B. In-state -- 194 of 195 employers answered the question. 108 said no and 86 said yes to having longevity pay increases.

C. The state of Montana grants pay increases for longevity through its steps and through a 1% adjustment for each five year service increment.

5. If your answer to question 4 is yes, please explain your system by giving an illustration as to what percent increase is granted to reward an employee for a specific number of years service.

A. Out-of-state -- In one state, if performance is standard, a step amounting to 5% is allowed for each of the first five years of service. In another state 2.5% is allowed for each five year increment of service. In two states employees with at least 8 years of service receive longevity allotments. Another state pays \$30 per month for each five year service increment. One state provides steps averaging between 2.0 and 3.5% annually to employees performing their jobs satisfactorily.

B. In State -- The different types of longevity pay increases vary widely. However, 43 of the 86 employers providing longevity increases revealed the dollar amount or percentage of such increases based on a specific time of service. From this information was calculated an average of 2.2% for each year of service. Converting longevity allotments calculated and paid over increments greater than one year to one year equivalents, the range of these estimated yearly longevity adjustments was from 0.1% to 10%.

Eighteen other employers mentioned that they provided annual step adjustments. The amounts or percentages of such adjustments, however, were not offered.

C. The state of Montana has two systems for rewarding longevity with pay. Under the first system, an employee receives a 7% pay increase after the first six months of service and 2% for each of 12 years of service thereafter. Under the second system, an employee receives about 1% for each five year service increment.

6. Are your most productive employees given pay increases exceeding those given to average or less than average producing employees?

A. Out-of-state -- All 10 states answered the question. 8 said yes and 2 said no to having merit pay increases.

B. In-state -- All 195 employers answered the question. 107 said yes and 88 said no.

C. The state of Montana does not grant merit pay increases.

7. If your answer to question 6 is yes, are your merit pay increases paid as an increase to an employee's base rate or as a lump-sum bonus?
- A. Out-of-state --- 7 of 8 states providing merit increases answered the question. Two states provide base rate increases and two states provide lump-sum increases, while three states provide both types of merit increases.
 - B. In-state --- 102 of 107 employers providing merit increases answered the question. 89 employers provide base rate increases and four employers provide lump-sum increases, while 9 others provide both types of merit increases.
 - C. A state of Montana merit pay system has not been implemented.
8. If your answer to question 6 is yes, what tools do you use to distinguish among employee performance levels for pay purposes (i.e., management-by-objectives, results-oriented performance appraisals, attitude-type performance appraisals, forced employee ranking systems and/or supervisor discretion)?
- A. Out-of-state -- 7 of the 8 states providing merit-type pay increases answered the question. 4 of the 7 states use MBO type appraisals. 4 of the 7 states use results-oriented appraisals. None of the states used attitude-type appraisals. 1 of the 7 states used an employee ranking system. None of the states used supervisor discretion to distinguish among employee performance levels for pay purposes.
 - B. In-state -- All of the 107 employers providing merit-type pay increases answered the question. 18 of the 107 employers use MBO type appraisals. 67 of the 107 employers use results-oriented appraisals. 25 of the 107 employers use attitude-type appraisals. Only 11 of the 107 employers use employee ranking systems. 48 of the 107 employers used supervisor discretion to distinguish among employee performance levels for pay purposes.
 - C. The state of Montana is likely to use a results-oriented performance appraisal system that is individually patterned for the performance of pre-determined goals and objectives. Some supervisor discretion is inevitable but will be limited by employee input in establishing objectives and performance standards. Employee attitudes will not be a factor.
9. If your answer to question 6 is yes, does your merit pay system increase or decrease employee satisfaction and increase or decrease productivity in your organization?
- A. Out-of-state -- 3 of the 8 states providing merit-type pay increases answered the question. Two states said that the merit pay system results in increased employee satisfaction and increased productivity. The other state indicated that their system has no effect on employee satisfaction and the effect on productivity was undetermined.

- B. In-state -- 87 of the 107 employers providing merit-type pay increases indicated that their system increases employee satisfaction. The other 20 employers could not provide an answer either way.

82 of 107 employers providing merit-type pay increases indicated that their system increases productivity. One felt that their system decreases productivity, while the other 24 employers could not provide an answer either way.

- C. The state of Montana does not currently have a merit pay system and is unable to answer this question at this time.

10. Can your employees get cash awards for making suggestions to improve or streamline operations?

- A. Out-of-state -- All 10 states answered the question. 7 said yes and 3 said no to providing cash awards for worthy employee suggestions.

- B. In-state -- All 195 employers answered the question. 25 said yes and 170 said no to providing cash awards for worthy suggestions.

- C. The state of Montana has had a suggestion system since April, 1982.

11. Please explain any other system, other than promotion, by which your employees can increase their salaries.

- A. Out-of-state -- Only one state mentioned another pay increase system not previously discussed. This state provides for pay increases for assuming additional responsibilities which do not result in a higher classification.

- B. In-state -- Eighteen employers provide bonuses, other than regular merit increases, for such things as completing special projects and team efforts. Ten employers provide pay increases upon acquisition of professional registration/accreditation. Ten employers allow employees to perform additional duties for extra pay in lieu of overtime pay or promotions. Four employers mentioned sales commissions in addition to their other methods for increasing employee pay. Three employers offer incentives for employees to accept transfers. Two employers pay shift differentials and one offers pay to employees for being on-call.

- C. The state of Montana does not have any other major system for increasing salaries.

12. What other things do you do to increase employee productivity?

- A. Out-of-state --- One state sets goals and objectives for increasing productivity, while another mentioned its incentive awards program. The remaining states did not offer any responses.

- B. In-state --- 57 employers specified that they use formal training and occasionally tuition reimbursement to enhance productivity. 32 employers specified using goal setting, performance evaluations or MBO to improve productivity. 25 employers mentioned such things as frequent staff meetings, non-monetary formal awards, service pins, awareness programs or employee activities for improving productivity. 22 employers specified using a managerial style emphasizing employee participation, appropriate praise, counseling and good, frequent communications to enhance productivity. Ten employers provide excellent benefits, and good working conditions and equipment to improve productivity. Six employers make attendance or safety awards. Six employees simply discharge or discipline non-productive employees. Five employers enhance jobs and reassign job duties to improve productivity. Three employers provide flextime. Two employers stated having formal productivity programs without mentioning the techniques utilized.
- C. To improve productivity, the state of Montana provides some formal training, some tuition reimbursement, flex-time, results-oriented performance appraisals, and justified workforce reductions. A state employee assistance program is also under consideration. Individual agencies may do other things to improve productivity. Some agencies provide service pins.
13. How many total days paid leave do your employees receive on the average per calendar year (include paid holidays, vacation leave, sick leave, military leave, and educational leave)?
- A. Out-of-state -- 8 of 10 states answered the question. The average leave usage reported is 35.8 days annually.
- B. In-state -- 190 of 195 employers answered the question. The average leave usage reported is 27.3 days annually. Responses of no paid leave are included in the average.
- C. The state of Montana's estimated average leave usage is about 38.5 days annually.
14. Are your employees covered by Social Security?
- A. Out-of-state -- All 10 states answered the question. Only two of these said no to being in the Social Security program.
- B. In-state -- 192 of 195 employers answered the question. All but one of these said yes to being in the Social Security program.
- C. The state of Montana is in the Social Security program.
15. Excluding contributions to Social Security, what average percent of an employee's salary does your organization contribute toward retirement and/or profit-sharing?
- A. Out-of-state -- All 10 states answered the question. The average retirement contribution reported is 8.4%.

- B. In-state -- 151 of 195 employers answered the question. The average retirement and profit sharing contribution reported is 6.6%. Responses of no contribution are included in the average.
- C. The state of Montana's average retirement contribution is 6.4%.
16. What average monthly dollar amount does your organization contribute toward group insurance premiums for each employee (include payments on health, life, dental, vision, and disability insurance plans for the employee and his dependents)?
- A. Out-of-state -- All 10 states answered the question. The average insurance contribution reported is \$95 per month.
- B. In-state -- 194 of 195 employers answered the question. The average insurance contribution is \$105 per month. Responses of no contribution are included in the average.
- C. The state of Montana's insurance contribution is \$100 per month.
17. What percent of all your employees, including administrative, are formally organized for bargaining purposes?
- A. Out-of-state -- 9 of 10 states answered the question. The average percent of bargaining organization is 16.1%. One state is 90% organized, while two others are 45% and 10% union. The other six states are completely non-union and are included in the average.
- B. In-state -- 126 of 195 employers answered the question. The average percent of bargaining organization is 40.3%. Non-union employers are included in the average.
- C. Employees of the state of Montana are 50% organized in 86 different bargaining units.
18. If your answer to question 17 is greater than 0%, what effect has organized bargaining had on your pay system for non-organized employees?
- A. Out-of-state -- In the state that is 45% unionized and in the state that is 10% unionized, bargaining for wages is not allowed. In the other state, general pay adjustments were said to be identical, however, non-union employees are eligible for performance related pay increases.
- B. In-state --- 43 employers stated that non-union pay increases have been about the same as union pay increases. Seven employers indicated that union pay increases have tended to raise salaries of non-union employees to the point that the employer's salaries and benefits are above market averages. Six employers simply stated that their union employees have fared better than non-union employees in terms of salaries paid. Three employers indicated union settlements tend to create pay compression resulting in special adjustment of supervisory salaries. Two employers stated that there was no effect since union and non-union employees are

paid according to different pay schedules. One employer mentioned that since the union could not negotiate wages, there was no effect. 23 employers stated without qualification that unionization has had little or no effect on the pay system for non-organized employees.

- C. In the state of Montana organized and non-organized employees are both given the same average percentage increase each year. Often the distribution of this average increase is affected. For example, lower level employees could get higher percentages than others, thereby affecting relative relationships between grade levels.
19. On the average, how many promotions (include career ladder promotions) can your new hires expect to receive within the first five years of their employment?
- A. Out-of-state -- 7 of 10 states answered the question. The average reported promotions within five years is 2.6.
 - B. In-state - 194 of 195 employers answered the question. The average reported promotions within five years is 1.3.
 - C. The average state of Montana employee can reasonably be expected to be promoted twice within the first five years of employment with the state.
20. What percent of all your employees do you expect to terminate their employment with your organization within the next twelve months?
- A. Out-of-state -- 7 of 10 states answered the question. The average reported turnover rate is 17.3%.
 - B. In-state -- 179 of 195 employers answered the question. The average reported turnover rate is 11.0%. Responses of no turnover are included in the average.
 - C. The state of Montana current estimate of turnover is 23%.
21. How many people do you currently employ (in Montana for in-state employers)?
- A. Out-of-state -- 9 of 10 states answered the question. The average reported number of people employed is 12,162. This figure is low for total state employment. It is presumed that some states did not include university staff.
 - B. In-state -- 192 of 195 employers answered the question. The average reported number of people employed in Montana by responding employers is 224.
 - C. The state of Montana employs about 14,800 people including universities and about 10,800 people excluding universities.

SUMMARY OF RESULTS

In general, the following conclusions can be drawn from this salary and benefit survey:

1. State salaries compared in-state are near average, while state salaries compared with surrounding states are about 8% below average. In both labor markets, the addition of benefits slightly improves the competitiveness of state salaries.
2. State classified employee salaries at all grade levels are generally near or below market averages by up to 15.8% at grade 16.
3. State salaries of employees paid by special pay matrices (retail clerks, blue collar crafts, teachers and physicians) are generally near or below market averages by up to 15.8% for Plumbers.
4. The average salary for state professional occupations is 7.9% below market, while that for state technical occupations is 6.1% below market. State salaries for clerical, crafts and miscellaneous occupations are generally near or above market averages.
5. State salaries for 14 of 23 professional groups are significantly (6.6% to 21.9%) below market averages. State salaries are significantly (8.2% to 23.0%) below market averages for only six of the remaining 24 occupations.

State salaries for seven of the eight remaining professional occupations and 10 of the 18 other remaining occupations are within 6% (above or below) of market averages.

State salaries for only nine of all 47 occupations are significantly (6.8% to 41.3%) above market averages. For the most part, these few groups tend to include more female-dominant classes than the other groups. This implies that the state's current classification system, as opposed to those of other employers, allocates grade levels from a perspective of value to the organization and treats predominantly female occupations and mixed occupations in a similar manner as predominantly male occupations.

6. As opposed to prior state salary surveys, there is now less difference between the competitiveness of state salaries at entry and the competitiveness of state salaries as employees accumulate time with their state positions. This indicates that the state has broadened its pay ranges and provided within grade pay adjustments which slightly improves the competitiveness of the state pay system since the 1982 survey.
7. The state's monthly group insurance contribution is within \$5 of both market averages.

8. The state's retirement contribution is significantly below the average of neighboring state contributions and nearly equal to the average of Montana employer contributions.
9. State employees receive more paid leave time than those employed elsewhere in the two labor markets.

700 copies of this public document were published at an estimated cost of \$2.14 per copy, for a total cost of \$1,500.00, which includes \$1,150.00 for printing and \$350.00 for distribution.